



SECOND REPORT TO CREDITORS

A.C.N. 668 487 045 PTY LTD

FORMERLY KNOWN AS REPUBLIC HOTEL SYDNEY PTY LIMITED

ACN 668 487 045

&

A.C.N. 668 487 072 PTY LTD

FORMERLY KNOWN AS REPUBLIC HOTEL MANAGEMENT PTY LIMITED

ACN 668 487 072

(BOTH ADMINISTRATORS APPOINTED)

("THE COMPANIES")

16 October 2024

PETER KREJCI

ANDREW CUMMINS

Joint and Several Administrators

Phone 02 8263 2333

Email info@brifnsw.com.au

Website www.briferrier.com.au

Address Level 26, 25 Bligh Street

Sydney NSW 2000

TABLE OF CONTENTS

1. Basis of Report	8
2. Disclaimer	8
3. Declaration of Independence, Relevant Relationships and Indemnities	9
4. Corporate Information	9
5. Group History and Events Leading up to Administration	11
6. Reasons for Failure	13
7. Conduct of the Administration	13
8. Trading During Voluntary Administration	15
9. Historical Financial Information	15
10. Current Financial Position	16
11. Preliminary Investigations	23
12. Voidable Transactions	32
13. Breach of Duty Claims	35
14. Summary of Potential Offences	36
15. Estimated Return to Creditors	36
16. Recommendation of Administrators	37
17. Receipts and Payments	38
18. Remuneration of Administrators / Liquidators	38
19. Second Meeting of Creditors	39

TABLE OF ANNEXURES

1. Notice of Concurrent Second Meeting of Creditors
2. Formal Proof of Debt or Claim Form
3. RHS Appointment of Proxy Form
4. RHM Appointment of Proxy Form
5. Director and Former Director's Related Entities
6. Comparative Balance Sheets
7. Comparative Profit and Loss statements
8. Estimated Outcome Statement
9. RHS Summary of Receipts & Payments
10. RHS Remuneration Approval Report
11. RHM Remuneration Approval Report
12. Advice to Creditors About Remuneration
13. ASIC Information Sheet – Insolvency Information for Directors, Employees, Creditors and Shareholders
14. ARITA Information Sheet – Offences, Recoverable Transactions and Insolvent Trading

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
Administrators	Peter Krejci and Andrew Cummins
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
BAS	Business Activity Statement
Bond Finance	Bond Finance Pty Ltd
Committee	Committee of Inspection
Companies	ACN 668 487 045 Pty Ltd formerly known as Republic Hotel Sydney Pty Ltd and ACN 668 487 072 Pty Ltd formerly known as Republic Hotel Management Pty Ltd
Director	Andrew Miller
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
DOCA	Deed of Company Arrangement
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier NSW
Former Director	John Palasti/John Palasty
Freehold Property	69-73 Pitt Street Sydney NSW 2000
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
NAB	National Australia Bank Limited
Premises	69-72 Pitt Street Sydney NSW 2000
POD	Proof of Debt
PPSR	Personal Property Securities Register
RHM	A.C.N. 668 487 072 Pty Ltd formerly known as Republic Hotel Management Pty Ltd
RHS	A.C.N. 668 487 045 Pty Ltd formerly known as Republic Hotel Sydney Pty Ltd
ROCAP	Report on Company Activities and Property
VA	Voluntary Administration
Virtual Group	Virtual Pty Ltd, Virtual Metro Pty Ltd, Virtual Metro Management Pty Ltd and other entities controlled by Mr Palasti and Mr Toma

INTRODUCTION

We refer to our First Report to Creditors dated 24 September 2024 in which our appointment as Joint and Several Administrators of the Companies was advised along with an explanation of the Voluntary Administration process.

The objective of Part 5.3A of the Act is to provide for the business, property and affairs of an insolvent (or likely to become insolvent) company to be administered in a way that maximises the chances of the company, or as much as possible of its business, continuing in existence, or, if this is not possible, results in a better return for the company's creditors than would result from an immediate winding up of the company.

Section 438A of the Act requires that, as soon as practicable, the Administrators must investigate the business, property, affairs and financial circumstances of the Companies and form an opinion about each of the following matters:

- Whether it would be in the Creditors' interests for the Companies to execute a DOCA;
- Whether it would be in the Creditors' interests for the Administrations to end; and
- Whether it would be in the Creditors' interests for the Companies to be wound up.

This report should be read in conjunction with the First Report. If you have any questions relating to the administration in general, or specific questions relating to your position, please do not hesitate to contact this office.

COMPANY DETAILS

Name	A.C.N. 668 487 045 Pty Ltd
Former name	Republic Hotel Sydney Pty Ltd
Incorporated	3 June 2023
ACN/ABN	668 487 045/62 668 487 045
Registered Office & Trading Address	Level 2, 74 McEvoy Street Alexandria NSW 2015
Name	A.C.N. 668 487 072 Pty Ltd
Former Name	Republic Hotel Management Pty Ltd
Incorporated	3 June 2023
ACN/ABN	668 487 072/68 668 487 072
Registered Office &	Level 2, 74 McEvoy Street

ADMINISTRATORS

Name	Peter Krejci Andrew Cummins
Date Appointed	20 September 2024

ADMINISTRATION CONTACT

Name	Mankirth Mandair
Email	mmandair@brifnsw.com.au
Phone	02 8263 2333

EXECUTIVE SUMMARY

As you are aware, we, Andrew Cummins and Peter Krejci, were appointed Joint and Several Administrators of Republic Hotel Sydney Pty Ltd (“RHS”) and Republic Hotel Management Pty Ltd (“RHM”) (referred to together as the “Companies”) on 20 September 2024 pursuant to Section 436C of the Corporations Act 2001.

Pursuant to Section 439A of the Act, we have convened the Second Meetings of Creditors to be held concurrently on **Thursday, 24 October 2024 at 11:00AM AEDT**. Please find attached as **Annexure “1”** the Notice of Concurrent Second Meetings of Creditors for your information. The meetings will be held in our offices with virtual meeting technology also made available should creditors wish to attend the meetings virtually. Given the operations of the Companies are closely tied we are proposing to hold the meeting of RHS and RHM concurrently. Further details on the meetings are disclosed in Section 19 of this report.

We summarise below our observations of the Companies’ affairs, our preliminary investigations and the potential outcomes for creditors from the Administration process.

The Companies previously operated as a four-storey pub/restaurant from Premises at 69-73 Pitt Street Sydney NSW 2000 known as the Republic Hotel. RHS was the sole registered owner of the Freehold Property and at the time of our appointment, it appears that RHM was responsible for the overall trading and employment of staff.

The Companies were part of the Virtical Group, which according to the Virtical Group’s website are “property developers of residential, commercial and leisure assets”. It would appear the Republic Hotel ostensibly was an asset that Virtical Group was seeking to add value to by way of a redevelopment.

RHS and RHM were incorporated in June 2023 to acquire the business and Freehold Property for \$41.8M. In August 2023, Bond Finance Pty Ltd provided RHS a loan facility of \$22M to purchase the Hotel. Bond has also provided loans to other companies in the Virtical Group to acquire hospitality venues operated by director related companies, including the Aldephi Hotel in Melbourne’s CBD and Hotel Australasia in Eden, NSW. We have also been appointed Voluntary Administrators by Bond Finance to the entities operating these venues. We understand Bond Finance has funded approximately \$90M in loans to all entities across the Virtical Group.

Prior to our appointment on 17 September 2024, RHS had exchanged contracts for the sale of the Republic Hotel to the Thomas Hotel Group for \$32M. As Administrators, we are satisfied that the sale of the Republic Hotel for \$32M represented fair market value having regard to the campaign run prior to our appointment by reputable agents over several weeks; the apparent mismanagement of the business since its acquisition by RHS (which appears to have resulted in significant value destruction); and the working capital position of RHS not being conducive to a protracted sale process into the Christmas Holiday period. Bond Finance also consented to the sale despite determined that to

complete the sale required an appointment of Voluntary Administrators to the Companies resulting in our appointment on 20 September 2024 pursuant to Section 436C of the Act.

From the commencement of the Administration, the Administrators focus was the continued trading of the Hotel to facilitate completion of the sale to the Thomas Hotel Group which occurred on 1 October 2024. This involved the transferring of key trading accounts/utilities, calculation of employee entitlements and obtaining payout figures from key suppliers. We are requesting suppliers with administrator accounts, who have not already done so, provide their final accounts to 30 September 2024. We have recorded a small profit from our limited trading.

In the lead up to our appointment, the Companies were subject to an extensive audit and investigation in relation to various GST credits claims made by the Companies for expenses purportedly made in the redevelopment of the Republic Hotel. The GST credits claimed by the RHS and paid by the ATO were later found by the ATO to be invalid. From the ATO audit Report, we are aware that the RHS was purportedly the Trustee of the Republic Hotel Sydney Trust and it would seem that the same GST credits were claimed by RHS in its capacity as Trustee of the Trust and in its own right for the same purported expenses. We have been provided with copies of the ATO's determination with the outcome being that RHS owes approximately \$15M to the ATO. We understand the Companies and other companies in the Virtical Group generally are subject to a broader investigation by the ATO involving tens of millions of dollars of invalidly claimed GST credits.

We have prepared an estimate of the potential returns to creditors in a liquidation scenario. We estimate that there will be no return to ordinary unsecured creditors unless substantial recoveries are made in respect of liquidators' actions.

As such, it is our recommendation that creditors of each of the Companies should vote to place the Companies into Liquidation.

1. BASIS OF REPORT

On 20 September 2024, we, Andrew Cummins and Peter Krejci of BRI Ferrier, Level 26, 25 Bligh Street Sydney NSW 2000, were appointed Administrators of the Companies pursuant to Section 436C of the Act.

This report has been prepared primarily from information received from the secured creditor's solicitors, records maintained at the Premises (including sales and stocktaking records) as well as the management accounting system, Xero. To date, the Director has provided no assistance and has indicated that he had resigned prior to our appointment.

In order to complete this report and in conducting our investigations, we have also utilised information from:

- ▲ ASIC
- ▲ The books and records of the Companies;
- ▲ Discussions with Employees;
- ▲ Extracts from public information databases;
- ▲ Correspondence with creditors; and
- ▲ Documents obtained from the ATO in relation to the Companies.

2. DISCLAIMER

This Report and the statements made herein are based upon available books and records and from our own enquiries. Whilst we have no reason to doubt the accuracy of the information provided or contained herein, we reserve the right to alter our opinions or conclusions should the underlying data prove to be inaccurate or materially change after the date of this Report.

In considering the options available to Creditors and in formulating our recommendations, we have necessarily made forecasts and estimates of asset realisations and the ultimate quantum of Creditors' claims against the Companies where appropriate. These forecasts and estimates may change as asset realisations progress and as Creditors' claims are made and adjudicated upon. Whilst the forecasts and estimates are the Administrators' best assessment in the circumstances, Creditors should note that the Companies' ultimate deficiency, and therefore the outcome for Creditors could differ from the information provided in this Report.

Neither the Administrators nor any member or employee of BRI Ferrier accepts responsibility in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to us, or necessary forecasts, estimates and assessments made for the purposes of these Reports.

Should any Creditor have material information in relation to the Companies' affairs which they consider may impact on our investigation or Reports, please forward the details to our office as soon as possible.

3. DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

A DIRRI pursuant to Section 436DA of the Act was enclosed in the First Report. The DIRRI records that we undertook a proper assessment of the risks to our independence prior to accepting the appointment. There is no update required to the DIRRI.

4. CORPORATE INFORMATION

The following information has been extracted from ASIC records as at the date of our appointment. We are aware that lodgements have been made with ASIC after our appointment and have marked these changes in the footnote.

4.1 REPUBLIC HOTEL SYDNEY PTY LTD

4.1.1 Company Details

Company Name	Republic Hotel Sydney Pty Ltd
ACN	668 487 045
ABN	62 668 487 045
Incorporation Date	3 June 2023
Registered Address	Level 2, 74 McEvoy Street, Alexandria NSW 2015
Principal Place of Business	Level 2, 74 McEvoy Street, Alexandria NSW 2015

4.1.2 Officeholders

Name	Position	Appointed	Ceased
Andrew Miller*	Director & Secretary	5/9/2024	Current
John Palasti	Director & Secretary	20/09/2023	5/9/2024
Mark Toma	Former Director	3/06/2023	20/9/2023

* Change of officeholder form was lodged with ASIC on 26 September 2024 with Mr Palasti resignation backdated to 5 September 2024.

4.1.3 Share Structure and Shareholders

Name	Share Class	Number of Shares	Fully Paid Up	Status
Andrew Miller *	ORD	4	Y	Current
John Palasti	ORD	4	Y	Former
Mark Toma	ORD	4	Y	Former

* Change of shareholder form was lodged with ASIC on 26 September 2024 but backdated to 5 September 2024.

4.1.4 Current Registered Security Interests

A search of the PPSR indicates the following registered security interests:

Registration Number	Secured Party	Start Date	Collateral	PMSI
202308240019952	Bond Finance Pty Ltd	24/8/2023	All PAP	
202309180065653	Authentic Security Pty Ltd	18/9/2023	Other Goods	Yes
202309180065695	Authentic Security Pty Ltd	18/9/2023	Other Goods	No
202309190057863	Metcash Trading Limited & Ors	19/9/2023	Other Goods	No
202309190057871	Metcash Trading Limited & Ors	19/9/2023	Other Goods	Yes
202309200008204	Lion-Beer,Spirits & Wine Pty Ltd	20/9/2023	Other Goods	Yes
202309200010894	CUB Pty Ltd	20/9/2023	Other Goods	Yes
202309210017232	Calendar Cheese Co. Pty. Ltd.	21/9/2023	Other Goods	Yes
202309210029653	TAB Limited	21/9/2023	Other Goods	Yes
202309210037222	PFD Food Services Pty Ltd	21/9/2023	Other Goods	Yes
202309270024707	Franc About Wine Pty Ltd	27/9/2023	Other Goods	Yes
202310060069939	Aristocrat Technologies Australia Pty Limited	6/10/2023	Other Goods	Yes
202401120032900	Marlau Nominees Pty. Ltd and Tambavale (Qld) Pty Ltd	12/1/2024	Other Goods	Yes

Please refer to Section 10.2.1 of this report for further comments on the above.

4.2 REPUBLIC HOTEL MANAGEMENT PTY LTD

4.2.1 Company Details

Company Name	Republic Hotel Management Pty Ltd
ACN	668 487 072
ABN	68 668 487 072
Incorporation Date	3 June 2023
Registered Address	Level 2, 74 McEvoy Street, Alexandria NSW 2015
Principal Place of Business	Level 2, 74 McEvoy Street, Alexandria NSW 2015

4.2.2 Officeholders

Name	Position	Appointed	Ceased
John Palasti/Palasty	Director	28/11/2023	Current
	Secretary	28/11/2023	Current
Rory Gallagher	Secretary	15/9/2024	16/5/2024
Mark Toma	Director/Secretary	3/6/2023	28/11/2023

* Change of Company's officeholder form was lodged with ASIC on 26 September 2024 with the cessation date of Mr Palasti backdated to 5 September 2024.

4.2.3 Share Structure and Shareholders

Name	Share Class	Number of Shares	Fully Paid Up	Status
John Palasti	ORD	4	Y	Current
Mark Toma	ORD	4	Y	Former

* Change of shareholder form was lodged with ASIC on 26 September 2024 but backdated to 5 September 2024.

4.2.4 Current Registered Security Interests

A search of the PPSR indicates the following registered security interests:

Registration Number	Secured Party	Start Date	Collateral	PMSI
202309210041753	The Trustee for Cookers Trust	21/09/2023	Other Goods	Yes
202310090048190	SAMUEL SMITH & SON PTY. LTD.	09/10/2023	Other Goods	Yes
202402060016338	CASAMA GROUP PTY. LTD.	06/02/2024	Other Goods	No
202402120016009	VINOUS SOLUTIONS PTY LTD	12/02/2024	Other Goods	No
202408060045258	SUPAGAS PTY LIMITED	06/08/2024	Other Goods	Yes
202408300044822	BOND FINANCE PTY LTD	30/08/2024	All PAP	
202408300044833	BOND FINANCE PTY LTD	30/08/2024	All PAP	

Please refer to Section 10.2.1 of this report for further comments on the above.

4.3 RELATED ENTITIES

Please refer to **Annexure “5”** for details of Mr Palasti’s and Mr Toma’s directorships and shareholdings.

4.4 LEGAL PROCEEDINGS AGAINST THE COMPANIES

Pursuant to Section 440D of the Act, upon our appointment as Administrators, all proceedings against the Company are automatically stayed.

Creditors cannot commence or continue proceedings against the Companies without our written consent or without leave of the Court. We are not aware of any proceedings against the Companies.

5. GROUP HISTORY AND EVENTS LEADING UP TO ADMINISTRATION

The following summary has been prepared primarily from our own enquiries and the available records:

- RHS and RHM were incorporated in June 2023. The Companies appear to have been incorporated for the purpose of acquiring the business and Freehold Property and the subsequent operation of the pub/restaurant located at 69-73 Pitt Street Sydney NSW 2000.
- RHS was part of the Virtual Group, a property developer of residential, commercial and hospitality venues. Virtual Group was run by Mr John Palasti and Mr Mark Toma, former directors of RHS.

- ▲ The Director of the Companies, Mr John Palasti was in the business of acquiring large hospitality venues with a view to renovation and rejuvenation of the property/business for profit. Virtual Group had purchased a number of hospitality venues and entered into contracts to buy a number of other venues throughout the east coast of Australia.
- ▲ RHS entered into a contract to purchase the business and freehold in August 2023 for \$41.8M. The loan from Bond was intended for a short 6-month period expiring in February 2024. Based on the management accounting records, RHS appears to have entered into possession and commenced trading late in September 2023. Correspondence with Bond’s solicitors indicate that the Companies have made no repayments of Bond Finance’s loan as at the date of our appointment.
- ▲ When RHS acquired the freehold and business of the Republic Hotel, Bond Finance provided the bulk of the purchase price and at the time was granted a first ranking security interest over all the assets of RHS.
- ▲ Sometime after completion of RHS’s acquisition of the freehold and business, it purported to transfer the business of the hotel to RHM. This was completed without consent from the major secured creditor, Bond Finance.
- ▲ To secure its interests, Bond Finance took steps to register security interests over all present and after acquired property of RHM. The authority to register the security interest was pursuant to sections 34 and 162 of the Personal Property Securities Act 2009 (Cth.) (PPSA).
- ▲ On 17 September 2024, RHS exchanged contracts with The Thomas Hotel Group for the sale of the Freehold Property and Business for \$32M. The Administrators are satisfied that the sale was for fair market value, given the circumstances. We understand that an off-market campaign was run from late July 2024 via a co-listing between 2 reputable agencies. We sought to understand the working capital position of RHS and given the limited funds available a going concern sale may have been difficult if there was an extended marketing and sales process. Further, we are satisfied of an arms-length sale. Ultimately, Bond Finance, as the first ranked mortgagee and security interest holder, consented to the sale. Bond Finance also determined that to ensure timely completion of the sale they sought to appoint the Administrators on 20 September 2024 pursuant to Section 436C of the Act.
- ▲ Our investigations demonstrate that there has been an extensive intermingling of records and accounts with RHM maintaining a single set of management accounts whilst bank accounts were styled in the name of RHS. Suppliers appear to hold accounts in both RHS and RHM’s name, the Companies gaming and liquor licenses were held by RHS whilst employees were engaged by RHM.
- ▲ The maintenance of books and records generally have been insufficient. In particular, RHS and RHM have maintained only one set of accounts. Employee contracts have been backdated, and there are discrepancies between the contracts signed and other management accounts maintained.

- ▲ We have also been in discussions with the ATO regarding the Companies' compliance history. We have been provided with the ATO's correspondence with the Companies which include the ATO undertaking an investigation and audit into lodgements made by the Companies. This is discussed further below.
- ▲ We have had no assistance from the Director. The Director, Mr Palasti has contacted our office to advise that he resigned as Director prior to our appointment, and that the Administrators will need to contact the new Director, Mr Andrew Miller. The change in Directorship was filed with ASIC after our appointment on 26 September 2024.

6. REASONS FOR FAILURE

We are yet to receive a completed ROCAP or questionnaire for the Companies from Mr Palasti which would detail the reasons for failure.

Based on our enquiries, it appears that the Companies' demise can be attributed to the following reasons:

- ▲ Insufficient working capital
- ▲ Poor compliance of tax affairs, including failure to remit employee superannuation, non lodgement of statutory returns and incorrectly claiming GST refunds/credits from the ATO.
- ▲ Lack of strategic management regarding the operational and financial aspects of the business.

7. CONDUCT OF THE ADMINISTRATION

We have attended to the following major tasks during this appointment:

- ▲ Continued to trade the business to facilitate settlement of the sale of business and Freehold Property;
- ▲ Communicated with employees, suppliers, customers, trade creditors regarding the continued trading during the Administration period and implemented management and operational protocols;
- ▲ Performed an urgent review of the Companies' financial position and prepared a cashflow forecast;
- ▲ Secured the Companies' assets including funds held in various pre-appointment bank accounts;
- ▲ Took control of the Companies' IT infrastructure (including website, various POS systems and communication systems);
- ▲ Reported to Creditors and held the First Meeting on 2 October 2024;
- ▲ Obtained appropriate insurance cover for the administration period;
- ▲ Assumed control over RHM's management accounting system and obtained access to POS data;

- ▲ Liaised with key suppliers and utilities to facilitate a transfer of assets to the new purchaser;
- ▲ Obtained access to and copies of the Companies' electronic accounting systems;
- ▲ Conducted preliminary investigations of the affairs of the Companies, in particular potential voidable transactions and other potential avenues of recoveries that may be available to a liquidator.

7.1 ATO INVESTIGATION AND AUDIT

We have also liaised with the ATO regarding the Companies' conduct prior to our appointment. In the months leading to our appointment the Companies' were the subject of an ATO investigation and audit.

The audits pertained to tax credits claimed in relation to BASs lodged for months August 2023 to October 2023 and resulted in revisions of RHS's liabilities plus additional penalties for making false and misleading statements. The ATO have lodged a claim in the amount of \$15.618M against RHS.

In summary, the ATOs findings in respect of RHS, and the purported trust, are as follows:

Republic Hotel Sydney Pty Ltd atf Republic Hotel Sydney Unit Trust

- ▲ RHS has asserted to the ATO that it is the Trustee of the Republic Hotel Sydney Unit Trust. We have not received a copy of the Trust Deed, and the ATO has indicated that the Trust Deed provided to them is undated. RHS, as Trustee of the Republic Hotel Sydney Unit Trust was registered on 7 June 2023.
- ▲ RHS, as Trustee, lodged BASs for the months of August 2023, September 2023 and October 2023. claiming tax credits as follows:

Period	Tax Credits Claimed but not permitted
1 August 2023 to 31 August 2023	2,892,812
1 September 2023 to 30 September 2023	2,575,212
1 October 2023 to 31 October 2023	1,776,325
TOTAL	7,244,349

- ▲ These amounts were not permitted as no creditable acquisition was made.
- ▲ However, RHS has been permitted to claim a tax credit of \$3,795,676 in September 2023. This credit arose from the purchase of the property and business.
- ▲ Where RHS was not entitled to the tax credits claimed, the ATO determined there were no creditable acquisitions in accordance with Division 11 of the GST Act. Some of these credits related to purported acquisitions made to Top Class Constructions NSW Pty Limited.
- ▲ The ATO determined that RHS was liable to penalties for making false and misleading statements in these monthly BASs. The penalties charge amount to \$4,222,023.30.
- ▲ With exception to these 3 BAS returns, no other BAS has been lodged on behalf of the Trust.

Republic Hotel Sydney Pty Ltd

- RHS (in its own capacity) lodged a BAS for September 2023, claiming a tax credit of \$3,795,676. This appears to mirror the claim made by RHS (in its capacity as Trustee).
- RHS was unable to supply evidence that it was carrying on an enterprise and therefore, did not make a creditable acquisition because a taxable supply was not made to it.
- The ATO determined that RHS was liable to penalties for making false and misleading statements in its monthly September 2023 BAS'. The penalties amount to \$3,416,108.40.
- This is the only BAS that has been lodged under RHS's ABN.

8. TRADING DURING VOLUNTARY ADMINISTRATION

As mentioned earlier, we continued to trade the business in order to facilitate the sale of freehold property and business. A sale had occurred prior to our appointment, with the purchaser being the Thomas Hotel Group, who own a number of pub/restaurants in NSW. On appointment, Bond Finance advised that settlement was scheduled to occur on 1 October 2024.

We have had substantive communications with staff, suppliers, external bookkeeper to understand the operations of the Business. It became apparent that the Companies were experiencing cashflow difficulties. We were advised by the management of RHS, payments to suppliers had been limited to \$40,000 per week notwithstanding that the liabilities incurred may have exceeded this amount.

We also continued the employment of all staff, to ensure continuity for the new owner. All staff were offered employment with new owner, however some entitlements were not transferred with the new owner not recognising previous service in respect of redundancy, annual leave and unfair dismissal. Accordingly, we terminated all staff on 1 October 2024, and approximately 8 permanent staff members are owed termination entitlements.

The sale of the freehold and property completed on 1 October 2024, accordingly we have ceased to trade. We are contacting suppliers to submit their final accounts for payment but at this stage, it appears we have traded to a small profit.

9. HISTORICAL FINANCIAL INFORMATION

As mentioned above, the Companies' maintained only one set of management accounts in the name of RHM. We have reviewed these accounts for the period 3 June 2023 (the date of the Companies' incorporation) to our appointment. We note that the management accounts are not audited and that the management accounts are not complete with a number of unreconciled entries into the system.

We have prepared our financial analysis based on the available information, which is discussed below.

9.1 BALANCE SHEETS

Attached as **Annexure "6"** is a comparative analysis of the Balance Sheets for the abovementioned periods.

We make the following comments with respect to the comparative Balance Sheets:

- The accounts are not reconciled as noted in the current liabilities balance, where various transactions have been recorded as “SOLPOINT Queries - TBC”. A review of the ledger for this account shows a number of large round payments for which the bookkeeper was uncertain as to their purpose.
- A number of liabilities appear to be understated such as outstanding superannuation entitlements. The debt owed to the first ranked mortgagee and major secured creditor, Bond Finance (approximately \$91M at the date of appointment) and other tax liabilities owed to the ATO.
- The Companies appear to be funding a number of other related entities, including the Adelphi Hotel in VIC and a residential property development in Newcastle, NSW.
- The largest debtor recorded in the Balance Sheet is Virtical, owing the Companies in excess of \$8M. The loan ledger indicates that Virtical received large round amounts from the Companies, and in turn, Virtical would make payments to trade suppliers of the hotel business. However, the amounts withdrawn significantly exceeded the expenses paid by Virtical. Between 1 July 2024 and 20 September 2024, the balance of the loan increased by \$870K.
- On 4 October 2023, RHS lodged a BAS claiming GST credits of over \$3.7M. The ATO paid this refund to the RHS on 13 October 2023. This amount was immediately transferred to Virtical, and forms part of the outstanding Virtical loan owed to RHS/RHM.

9.2 PROFIT AND LOSS STATEMENTS

Attached as **Annexure “7”** is a comparative analysis of the Profit and Loss Statements for the abovementioned periods.

We make the following commentary with respect to the comparative Profit and Loss Statements:

- The Companies have been trading for only a limited period of time and as such, it is difficult to comment on their financial performance.
- Overall, gaming and beverage sales make up the majority of revenue, 80 to 90% of all sales. Since commencing trading in September 2023, the level of Cost of Goods sold remained constant representing approximately 50-60% of total sales.
- We have reviewed a month-on-month profit and loss statement which shows that during the winter months of June and July 2024, the Companies experienced a downturn in sales. This effected the overall cashflow of the Companies, resulting a significant deterioration in the Companies aged payables up until our appointment.

10. CURRENT FINANCIAL POSITION

Contained in this section is our analysis of the current financial position of the Companies, prepared utilising the available financial records and our enquiries to date.

We have not received the Former Director’s statement about the Company’s business, property, affairs and financial position (“ROCAP”). We are advised by the Former Director’s solicitor, that Mr

Palasti resigned as Director in the days leading to the voluntary administration, on 5 September 2024 and has requested that we obtain information from the new Director, Mr Miller.

A.C.N 668 487 045 Pty Ltd formerly known as Republic Hotel Sydney Pty Ltd & A.C.N 668 487 072 Pty Ltd formerly known as Republic Hotel Management Pty Ltd (Both Administrators Appointed) Summary of Companies' Financial Position			
	Report Reference	Management Accounts	Administrators' ERV
		(\$)	(\$)
Assets			
Cash and Cash Equivalents	10.1.1	48,143	51,653
Trade Debtors	10.1.2	245	Nil
Cash on Premises	10.1.3	110,000	Nil
Stock on Hand	10.1.4	102,570	Nil
TAB	10.1.5	20,240	Nil
Plant and Equipment	10.1.6	240,297	Nil
Related Party Loans	10.1.7	8,255,597	unknown
Clearing Accounts	10.1.8	153,676	Nil
Other Assets	10.1.9	71,149	Nil
Sale of business and Freehold Property	10.1.10	Nil	32,000,000
Total Assets		9,001,917	32,051,653
Liabilities			
Secured Creditors	10.2.1	Nil	91,515,778
Priority Creditors	10.2.2	331,411	168,290
Unsecured Creditors:	10.2.3	7,186,544	19,151,177
Total Liabilities		7,517,955	110,835,245
Estimated Net Asset / (Deficiency)		1,483,962	(78,783,592)

10.1 ASSETS

10.1.1 Cash and Cash Equivalents

Upon our appointment we wrote to all major banking institutions to identify and placed a freeze on all bank accounts held by RHS and RHM. NAB confirmed that RHS held approximately \$51K in two accounts. We subsequently arranged for these funds to be transferred to the Administrators' bank account. There were no pre appointment accounts identified in the name of RHM.

Subsequent to our appointment, it was identified that the electronic sales made by the Companies were historically deposited into a NAB bank account maintained by a related entity, Risby Cove TAS Pty Ltd. We performed a reconciliation of our sales records to deposits made into this bank account, and an amount of approximately \$135K represented sales made by RHS. We are arranging for these funds to be transferred to the Administrators account.

The account had also been frozen as Mr Krejci and Mr David Coyne (of BRI Ferrier VIC) were also appointed Voluntary Administrators of this Risby Cove TAS Pty Ltd on 23 September 2024.

10.1.2 Trade Debtors

The management accounts indicate outstanding receivables of \$245.00 which are expenses incurred by the Companies on behalf of its related parties Risby Cove Management Pty Ltd (Administrators Appointed) and Eden Australasia Pty Ltd (Administrators Appointed). Both the related entities are under external administration and accordingly it is unlikely this amount will be recovered.

10.1.3 Cash on Premises

We have been advised by the hotel managers that the Companies maintained a cash float of \$110K for its day-to-day trading activities. Most of these funds were held in a Cash Redemption Terminal, utilised by hotel patrons to cash their gaming winnings.

At the end of each day, cash held in the machine was counted and if required, replenished by the manager on duty. This process was repeated by a different duty manager before the commencement of trade the following morning.

We confirm that the cash float was counted at the time of the settlement with the new owners assuming control over the cash, and a corresponding adjustment made in the sales price in favour of RHS and RHM.

10.1.4 Stock on Hand

The management accounts indicate an amount of approximately \$102K in respect of stock on hand. This stock pertains to beverages held at the Premises. As part of the sale of business, a stocktake was conducted and an adjustment made to sales price to account for the stock assumed by the new owners.

There is no further stock available for sale.

10.1.5 TAB

The management accounts indicate \$20K held as a cash float on behalf of TAB. To attend to the settlement, we liaised with TAB to obtain a payout and a discharge of their security interest. It was determined that funds were owed to TAB and as such, no amount will be recoverable.

10.1.6 Plant and Equipment

This consists of Artwork, Building improvements, Computer equipment, kitchen and other equipment. These assets all formed part of the sale of the business.

10.1.7 Related Party Loans

1.1.1.1 Metropolitan

The management accounts indicate that an amount of \$15,400 is owed from Metropolitan. We understand that VERTICAL Group previously entered into a contract for the purchase of the Metropolitan Hotel in Sydney CBD, however the sale did not complete. It appears that the Companies' funds were utilised to meet an invoice for marketing and branding for the acquisition which did not complete and accordingly we do not anticipate any recoveries.

1.1.1.2 Newcastle Management & Batemans

The management accounts indicate that an amount of \$3,216.18 is owed from Newcastle Management and Batemans. We have not been provided with any information regarding these loans and given the amount that is outstanding, it would be uncommercial to pursue.

1.1.1.3 Risby Cove Tasmania

The management accounts disclose an amount owing from Risby Cove Tasmania of \$230K. A review of the account ledger indicates that a majority of the funds were paid to Revenue NSW on Risby Cove's behalf.

1.1.1.4 VERTICAL Group

The management accounts disclose an amount owing from VERTICAL Group of \$8M. Our initial review of this account indicates various payments made for expenses incurred by related parties and large withdrawals made by the VERTICAL Group.

10.1.8 Clearing Accounts

The Companies recorded a number of clearing accounts primarily relating to gaming receipts. Clearing accounts are often used by bookkeepers and accountants where there is insufficient information available to properly record the transaction. At settlement, all cash maintained at the Premises was counted and transferred to the new owner, with relevant adjustment made in favour of RHS. It is therefore unlikely that these clearing accounts are recoverable.

10.1.9 Other Assets

The management accounts record a number of minor assets totalling \$71K, which we have styled "other assets". The majority of those the transactions relate to capitalised building expenses, which are not recoverable.

10.1.10 Sale of Business and Property

Please refer to Section 5 of this report.

10.2 LIABILITIES

10.2.1 Secured Creditors

A search undertaken on the PPSR on 15 October 2024, indicates the following security interests registered against the Companies respectively;

- 5 security interests over Republic Hotel Sydney Pty Ltd.
- 3 security interests over Republic Hotel Management Pty Ltd.

We note that a number of security interest holders have discharged their interests subsequent to our appointment. As part of the sale of business, the vendor was required to procure discharges of PMSI registrations over stock. At settlement, it was agreed that funds would be set aside to arrange these discharges. A number of security interest holders have not yet asserted a claim in the administration, on this basis.

Below is a summary table of the security interests with our comments:

Republic Hotel Sydney

PPSR Creditors	Estimated Unsecured Claims \$	Comment
Marlau Nominees Pty. Ltd.	To be confirmed	We are awaiting a response to our correspondence.
Lion-Beer, Spirits & Wine Pty Ltd	\$12,625.20	We have been provided with statements of account indicating the amounts outstanding. However, at this time, no formal claim made in the administration. It is likely because of ongoing communications with the creditor to discharge their security interests.
CUB Pty Ltd	\$64,911.80	
Franc About Wine Pty Ltd	\$1,187.20	
Bond Finance	\$91,499,032.00	The amount disclosed represents the value of the POD lodged by Bond, prior to settlement of the sale. We understand that Bond's claim is currently approximately is \$61M. Bond's claim is secured across a number of related party entities.
Total	\$91,577,756.20	

Republic Hotel Management

PPSR Creditors	Estimated Unsecured Claims \$	Comment
Casama Group Pty. Ltd.	\$12,513.77	We have been provided with statements of account indicating the amounts outstanding. However, at this time, no formal claim made in the administration. It is likely because of ongoing communications with the creditor to discharge their security interests.
Supagas Pty Limited	\$4,231.83	Communications with Supagas indicated that a discharge of its PPS registration would occur on return on their gas bottles. We have requested the new owners facilitate collection as they indicated they no longer require their services.
Bond Finance Pty Ltd	\$91,499,032.00	As discussed above.
Total	\$91,515,777.60	

10.2.2 Priority Creditors

As creditors are aware, the business and property of RHS was sold on 1 October 2024. As part of the sale the administrators terminated all staff, with staff subsequently offered employment with new owner. Some entitlements owed to permanent staff were not transferred as new owner did not recognise previous service in respect of redundancy, annual leave and unfair dismissal.

We have prepared a preliminary calculation of entitlements owed to terminated staff which is as follows:

Entitlements	Administrators' ERV (\$)
Superannuation (Pre-appointment)	85,730.50
Annual Leave	24,672.50
Accrued Days Off	5,023.69
PILN & Redundancy	52,863.38
Total	168,290.07

Please note that superannuation reported on the entitlements schedule above was obtained from the management accounts and our investigations indicate that the amount of superannuation is greater than recorded.

In a Liquidation scenario, however, as it is anticipated there to be insufficient funds available to pay outstanding entitlements, employees may be eligible to lodge a claim under the FEG scheme as detailed below.

Fair Entitlements Guarantee

In a Liquidation scenario, employees may be eligible to apply to the Federal Government, which has established a safety net scheme known as FEG, for payment of their outstanding entitlements (other than superannuation). FEG is administered by the Department of Employment and Workplace Relations (DEWR) for eligible employees who have been terminated as a result of their employer's insolvency and are owed entitlements. The FEG scheme is not available in a DOCA scenario.

In order for an employee to be eligible to claim outstanding entitlements under FEG:

- ▶ They must be an Australian Citizen or Permanent Resident (contact FEG for further details); and
- ▶ The end of their employment must be due to the insolvency of the employer; or have occurred less than six (6) months before the appointment of an insolvency practitioner; or occurred on or after the appointment of an insolvency practitioner.

Employees may submit claims in respect of the following entitlements, provided they are entitled to claim under their respective industrial instrument, contract of employment or by any other means:

- ▶ Up to thirteen (13) weeks unpaid wages for the period ending at the earlier of the date on which employment ended or the appointment of an insolvency practitioner;
- ▶ Unpaid annual leave and long service leave;
- ▶ Up to a maximum of five (5) weeks unpaid payment in lieu of notice;
- ▶ Up to a maximum of four (4) weeks redundancy entitlement for each completed year of service.

In calculating employee entitlements payable under the scheme, the maximum annual wage applies.

FEG will not cover:

- ▶ Outstanding superannuation entitlements;
- ▶ Entitlements such as rostered days off unless the relevant legislation, award, statutory agreement or written contract of employment provides they are payable upon termination of employment; and
- ▶ Employee entitlements of the Directors and related party Creditors.

Should you wish to obtain further information, FEG may be contacted on 1300 135 040. Alternatively, you may visit their website at: <https://www.dewr.gov.au/fair-entitlements-guarantee>.

10.2.2.1 Unsecured Creditors

Based on the management accounts and claims lodged to date, unsecured creditors may be owed approximately \$19M, subject to further enquiries and adjudication of claims. Below is a breakdown:

Entitlements	Administrators' ERV \$
Statutory Creditors - RHS	15,754,333
Statutory Creditor - RHM	135,795
Trade Creditors	1,483,334
Related Party Loans	1,777,715
Total	19,151,177

We provide our commentary as follows:

- The statutory creditor's debt relates to tax liabilities and penalties owed to ATO as determined in an audit/investigation.
- The trade creditors consist of various trading liabilities incurred in the ordinary course of business.
- Loans are comprised of related parties and associates of the Director, broken down as follows:

Related Party Creditors	Amount \$
Loan - Coast Motel Eden	28,467
Loan - Eden Growth Pty Ltd	1,520,342
Loan - Hotel Australasia	11,616
Loan - Risby Cove Management (Adelphi Hotel)	208,434
Loan - Top Class	8,856
Total	1,777,715

The above balances are obtained from the management accounting records. We have not sought to determine their validity at this time, however, these parties have not lodged a claim in the administration. The largest related party loan appears to be from Eden Growth Pty Ltd. The records indicate that Eden Group provided labour to RHM. It is our understanding that various employees of RHM were previously employed by Eden Group, and have subsequently been 'transferred' to RHM.

11. PRELIMINARY INVESTIGATIONS

11.1 OVERVIEW

During the course of the Administration, we have conducted preliminary investigations into the affairs of the Companies to ascertain whether there are any transactions that appear to be voidable, or other causes of action available whereby money, property or other benefits may be recoverable by a liquidator pursuant to Part 5.7B of the Act, in the event that creditors resolve to wind up the Companies. Creditors should be aware that an administrator does not have the power to recover voidable transactions or take action for insolvent trading.

11.2 INVESTIGATION CONSTRAINTS

The Act sets out a strict timeline for the reporting of an administrator's investigations of an insolvent company's affairs prior to the second meeting of creditors.

As such, our investigations into the Companies' affairs are preliminary at this stage. The interim findings discussed below are based on the available records reviewed and time constraints. A Liquidator would conduct more detailed investigations, provided that funding is available.

11.3 BOOKS AND RECORDS

Section 286 of the Act provides that:

"A company, registered scheme or disclosing entity must keep written financial records that;

- (a) correctly record and explain its transactions and financial position and performance; and
- (b) would enable true and fair financial statements to be prepared and audited."

The failure to maintain books and records in accordance with Section 286 of the Act allows a liquidator to presume a company was insolvent throughout the period the books were not maintained (Section 588E of the Act).

We have obtained limited books and records of the Companies to date and the Director has not provided any assistance to the Administrators. Further, he has advised via solicitors, that he is no longer the Director and that our requests for information should be issued to the new Director, Mr Andrew Miller.

Our preliminary review of the books and records reveal significant deficiencies in record keeping; in particular, the co-mingling of funds from several related party hotels, inaccuracies in accruing employee entitlements, management accounts that are unreconciled and the failure to record some outstanding taxation liabilities.

It may be that these deficiencies, would enable a liquidator to rely on the presumption that the Companies may have been insolvent since it commenced trading because of the failure to maintain proper books and records pursuant to Section 588E of the Act.

11.4 RISK OF LITIGATION ACTION GENERALLY

Part 5.7B of the Act gives liquidators (but not administrators) the right to commence certain legal proceedings to recover money, property or other benefits for the benefit of the unsecured creditors of a company.

Creditors should note that recovery actions:

- have the potential to increase the pool of funds available to Creditors;
- are usually expensive, lengthy and have unpredictable outcomes;
- should not be commenced unless defendants have the financial resources to satisfy any judgement; and

- must be funded out of a company's existing assets or, where such assets do not exist, by Creditors or by external litigation funders (who are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation).

11.5 INSOLVENCY & INSOLVENT TRADING (SECTION 588G)

The Act prohibits Insolvent Trading and provides that directors can be required to compensate creditors for losses they suffer because of Insolvent Trading by making a payment to a liquidator of a company. We have considered the prospects of such a claim, as it is one that is only available if creditors decide that the Companies should be placed into Liquidation, and so may be relevant to the decisions creditors take at the forthcoming concurrent Second Meetings of Creditors.

11.5.1 What Is Insolvent Trading?

Insolvent Trading is the incurring of a debt or liability at a time when a company is insolvent and when the Director(s) had or should have had reasonable grounds to suspect, or a person in their position would have suspected, that the company was insolvent.

If such a debt or liability is incurred, a Court may require the Director(s) to pay compensation to a liquidator of a company an amount equal to the loss suffered by creditors. In determining that loss, it is necessary to have regard to any amount that may be recovered from a company's assets or from the recovery of other claims such as Unfair Preferences.

Recovery from Insolvent Trading is only available in a Liquidation. A claim may be brought by a liquidator, or, if, the liquidator declines to pursue a claim, by one or more creditors.

A Liquidator pursuing a claim must:

- demonstrate Insolvency
- show that the director(s) suspected, or should have suspected, insolvency
- show that a debt or liability was incurred
- show the debt or liability has not been paid, so that the creditor has suffered loss.

A Director accused of Insolvent Trading can answer a claim by showing that:

- the director had reasonable grounds to believe the debt would be paid; and/or
- the director relied on information from another reliable person to believe the debt would be paid; and/or
- the director did everything he or she could to avoid the incurring of the debt; and/or
- the director was not participating in the management of the company for some good reason, such as illness; and/or
- the director was acting honestly and reasonably and, notwithstanding that a debt or liability was incurred that will be unpaid, he or she should be excused from liability; and/or

- ▶ the director may assert a defence that they have relief from insolvent trading by way of using the Safe Harbour regime contained in the Corporations Act; and/or
- ▶ the government provided legislative relief from insolvent trading from March to December 2020 in response to the COVID-19 pandemic.

Litigation in respect of Insolvent Trading is carried out in the ordinary civil courts. This means that the costs of pursuit of a claim are borne by the Liquidator, who uses a company's assets and may enter into a form of borrowing called "litigation funding" to do so, or may ask creditors to make a voluntary contribution to the pursuit of a claim.

If a claim is successful, some of the costs, but usually not all of them, may also be ordered to be paid by the Director(s). If the Liquidator fails in some or all of the claim, they may be ordered to pay some, or all of the costs incurred by the Director(s) in defending the claim. Therefore, in practice Liquidators can only pursue claims where they have funds available to meet both their own and the Defendants' costs, or they have the benefit of "insurance" against costs provided either by creditors or a commercial litigation funder.

If the company has no assets and neither a litigation funder nor creditors are willing to fund the litigation, no claim can be pursued. Litigation in respect of Insolvent Trading can be expensive, slow and risky. The Liquidator, funder and creditors are exposed to the risk that if the Director(s) are found liable, they may be unable to meet the judgment against them.

Where a company is a subsidiary of another company, a claim can also be brought against the holding company.

11.5.2 Insolvency

One important element of liability for Insolvent Trading is if, and when, the company became insolvent.

Section 95A of the *Corporations Act* defines solvency as follows:

"95A(1) [when person is solvent] A person is solvent if, and only if, the person is able to pay all the person's debts, as and when they become due and payable.

95A(2) [insolvent person not solvent] A person who is not solvent is insolvent".

Under Australian law, the test of insolvency is a "cashflow" test: it is focused on whether, in commercial reality, a company is able to meet its liabilities as and when they fall due for payment. The forensic assessment of insolvency, and preparation of a case on insolvency, involves a thorough, and costly, examination of the company's business, its market, its relationships with its customers, lenders, suppliers, owners and with regulators. Where a company has had expectations of support from related parties, that support is a factor that has to be considered in the context of insolvency.

In elaborating on the cashflow test of insolvency, the Courts have provided extensive commentary on the subject to determining insolvency. One of the leading authorities is the judgment of the Victorian Supreme Court in *ASIC -v- Plymin*, in which Justice Mandie, relying on expert evidence, identified the following 14 indicators of insolvency:

- ▲ Continuing Losses;
- ▲ Liquidity ratios below 1;
- ▲ Overdue Commonwealth and State taxes;
- ▲ Poor relationship with present Bank, including inability to borrow further funds;
- ▲ No access to alternative finance;
- ▲ Inability to raise further equity capital;
- ▲ Suppliers placing company on COD, or otherwise demanding special payments before resuming supply;
- ▲ Creditors unpaid outside trading terms;
- ▲ Issuing of post-dated cheques;
- ▲ Dishonoured cheques;
- ▲ Special arrangements with selected creditors;
- ▲ Solicitors' letters, summons(es), judgements or warrants issued against the company;
- ▲ Payments to creditors of rounded sums which are not reconcilable to specific invoices;
- ▲ Inability to produce timely and accurate financial information to display the company's trading performance and financial position and make reliable forecasts.

Comprehensive forensic insolvency assessment requires the review of each of these indicators, as well as the company's business, to answer the question "was it able to pay its debts as and when they fell due".

As part of reporting to you about Insolvent Trading we are required to form a preliminary view about when the company became insolvent. Our opinion is necessarily formed summarily: a forensic analysis of insolvency would be more thorough, more expensive and slower than the voluntary administration process ordinarily permits. We have set out our views below.

11.5.3 Director's Knowledge

As well as insolvency, a Liquidator must demonstrate when the director suspected, or ought to have suspected, that a company was insolvent. If a claim is brought, this will normally involve the comprehensive review of company records to show when directors first learnt of circumstances that could indicate insolvency. That review is typically thorough and expensive. Again, for the purpose of reporting to creditors we are required to make a summary assessment of when suspicions were or should have been formed. We have set out our views in this respect below as well.

11.5.4 Loss

Only losses *incurred* at or after the time of insolvency can form the basis of a claim, although all unpaid unsecured creditors are entitled to share in any recovery after costs. A debt or liability is “incurred” when the last event that could have avoided the liability arising occurs. For example, taking delivery will normally be the time at which a debt for the supply of goods is incurred.

Liabilities that have fallen due, but which were not freshly incurred during the period of insolvency cannot form the basis for a claim. Such liabilities commonly include ongoing contracts of employment, long term leases and hire-purchase arrangements, guarantees, loans and long-term supply and construction contracts.

11.5.5 Litigation and Funding

As noted above, if a company does not have significant assets, a liquidator contemplating bringing a claim for Insolvent Trading will only be able to pursue a claim if either creditors or a commercial litigation funder is willing to fund the liquidator’s legal and accounting costs and meet any costs that liquidator may be liable to pay if the claim is unsuccessful.

Funding of this sort can be arranged as follows:

- ▲ A creditor or creditors may contribute funds for additional investigations and litigation. Such creditors need to indemnify a liquidator against any adverse cost orders should the litigation prove unsuccessful. However, should the litigation be ultimately successful, creditors who have funded the litigation may apply to the court to have their claim met in priority to other creditors not participating in the funding arrangement; and/or
- ▲ The Liquidator may request funding from an independent, specialist litigation funding firm. Generally, the litigation funder is compensated for its risk by receiving a share of up to 30 - 40% from any recoveries arising out of the litigation. Litigation funding is expensive in this regard, and therefore only feasible where the possible recoveries are significant.

11.6 ASSESSMENT OF INSOLVENCY

Our assessment has been based on the information available to us from the records of the Companies and creditors. As noted above, this assessment has been undertaken on a preliminary basis. If the Companies are placed into Liquidation and litigation were contemplated, we would need to undertake a more thorough and rigorous assessment. We would also need to obtain legal advice and gather substantial further evidence, including potentially holding public examinations of the relevant parties.

Based on our investigations to date, the Companies’ operations and financial records have been intermingled, with the Companies maintaining a single set of management accounting records. Trade suppliers have invoiced both RHS and RHM with sale proceeds deposited into RHS controlled bank accounts. Our investigations have focused on the Xero management accounts, which are held in RHM’s name.

It is our preliminary view that the Companies became insolvent around September 2023, i.e., since its commenced trading. Our assessment of the solvency is detailed below.

11.6.1 Working Capital Analysis

A working capital analysis is generally based on a review of a company's financial records and management accounts to determine whether there were sufficient current assets to meet current liabilities, including any adjustments to the reported current assets and current liabilities.

The current ratio compares current assets to current liabilities. A current ratio over 1 indicates that there are sufficient current assets to meet current liabilities.

A.C.N 668 487 045 Pty Ltd formerly known as Republic Hotel Sydney Pty Ltd & A.C.N 668 487 072 Pty Ltd formerly known as Republic Hotel Management Pty Ltd			
	As at 30-Sep-23 (\$)	As at 30-Jun-24 (\$)	As at 20-Sep-24 (\$)
Working Capital Analysis			
Current Assets	547,190	449,860	506,023
Current Liabilities	562,926	5,350,600	5,755,242
Net Working Capital	(15,737)	(4,900,740)	(5,249,219)
Current Asset Ratio	0.97	0.08	0.09

Based on the above, the Companies have a significant working capital deficiency.

We are aware of a number of discrepancies in the management accounts which if adjusted would result in larger deficiency in assets to liabilities. In a liquidation, we would perform a more substantive analysis of the Company's working capital.

A working capital deficiency, however, is only one of the many indicators of insolvency. Below are more a few more indicators.

11.6.2 Balance Sheet Analysis

A summary of the net asset position of is provided in the table below:

A.C.N 668 487 045 Pty Ltd formerly known as Republic Hotel Sydney Pty Ltd & A.C.N 668 487 072 Pty Ltd formerly known as Republic Hotel Management Pty Ltd			
	As at 30-Sep-23 (\$)	As at 30-Jun-24 (\$)	As at 20-Sep-24 (\$)
Net Asset Analysis			
Total Assets	810,201	8,069,324	9,001,917
Total Liabilities	(701,977)	(7,125,233)	(7,532,957)
Net Asset Position	108,224	944,091	1,468,960

The Companies have a positive net asset position, however, the majority of Companies' assets pertain to related party loans. A breakdown of the loans are detailed in Section 10.2.2.1.

We are aware that the loan made to Risby Cove Tasmania is unlikely to be recoverable. We are also uncertain as to the recoverability of the loan to Virtual Group which constitutes the majority of the

amount outstanding. We are also aware of substantial liabilities which are not recorded on the balance sheet but were incurred around September 2023.

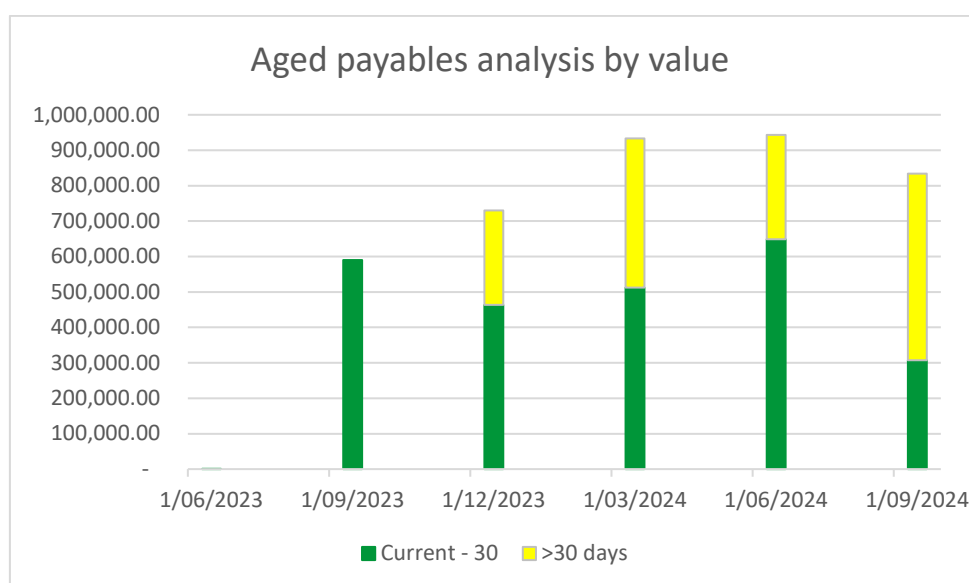
11.6.3 Aged Payables Analysis

Our review of the aged payables reports extracted from the management accounts for each quarter after June 2023 indicates that the trade creditors of the Companies remained largely current up until June 2024, where the ageing of accounts payable significantly deteriorated despite overall creditor liabilities remaining relatively stable. This would indicate that the Companies were selective in making payments to specific creditors, likely to maintain supply.

Below is a summary of the aged payable reports and our analysis of the ageing:

Period	Current - 30	>30 days	Total
30/06/2023	165.00	-	165.00
30/09/2023	589,771.11	-	589,771.11
31/12/2023	463,895.18	265,857.81	729,752.99
31/03/2024	512,740.32	420,243.33	932,983.65
30/06/2024	648,568.93	295,099.40	943,668.33
20/09/2024	307,695.87	526,221.80	833,917.67

Period	Current - 30	>30 days
30/06/2023	100%	0%
30/09/2023	100%	0%
31/12/2023	64%	36%
31/03/2024	55%	45%
30/06/2024	69%	31%
20/09/2024	37%	63%



11.6.4 Indicators of Insolvency

In addition, we have observed the following facts relevant to the solvency of the Companies:

- Continuing Losses and Liquidity ratios below 1 – As noted in our working capital analysis, balance sheet analysis and aged payable analysis above, it appears the Companies held insufficient working capital since its incorporation to meet its liabilities as and when they fell due and held a liquidity ratio below 1 since its incorporation.
- Overdue Commonwealth and State taxes – The ATO has lodged a substantial claim in the administration. We are also aware that the Companies did not have an active workers compensation insurance policy, which is a mandatory requirement in NSW.
- Inability to produce timely and accurate financial information to display the company's trading performance and financial position and make reliable forecasts – As mentioned above, the management accounts have not been reconciled up to appointment, with the management account showing a number of unreconciled items. Statutory superannuation outstanding is also understated in the management accounts. Secured creditor liabilities (in particular to the mortgagee, Bond Finance) have not been disclosed.
- Creditors unpaid outside trading terms; Special arrangements with selected creditors; Payments to creditors of rounded sums which are not reconcilable to specific invoices – We are aware that creditors were paid outside of trading terms, where the managers of the hotel were only permitted to make creditor payments up to an amount of \$40K each week for cash flow purposes. We have also identified a number of creditors which appear to be significantly aged including key utility accounts.

11.6.5 Potential Amount of Claim

Determining the value of an insolvent trading or breach of duty claim will generally involve a forensic review of the debts incurred after the date on which it can be maintained that the Companies were insolvent.

Our review of the management accounts of the Companies and creditor claim information indicates that approximately \$16.4M in outstanding debts were incurred after September 2023. This represents the ATO's tax liabilities and trade creditors of approximately \$1.4M. This would form the basis of our calculation of such a claim against the Former Director and/or Director (depending on his level of involvement with the Company).

11.6.6 Defences Available

In respect of pursuing insolvent trading claims, we note that a defence is available under the Act where a director can establish:

- There were reasonable grounds to expect that the company was solvent, and they actually did so expect;
- They did not take part in management for illness or some other good reason;

- They took all reasonable steps to prevent the company incurring the debt; or
- If a director availed themselves of the protections under the Safe Harbour regime.

We have received no advice from the Director or Former Director that they sought to access the Safe Harbour regime. We note that this would have required the engagement of professionals and the development of a “restructuring plan”. We have not seen any evidence in this regard.

Overall, we have not seen any particularly strong evidence of defences that may be available to the Director or Former Director. These are preliminary observations, and this will be explored further, should the Companies be placed into Liquidation.

11.6.7 Recovery of Claim

In respect of considering whether an insolvent trading or breach of duty claim could be pursued, a Liquidator would need to have regard to the financial positions of a potential defendant, Mr Palasti, notwithstanding his resignation in early September 2024, or Mr Toma.

Further investigation is required to determine if any action is available against Mr Andrew Miller, the currently listed director.

The following investigations have been conducted by the administrators’ office:

- Property searches in NSW and VIC have been conducted on the Director and Former Director and these searches indicate no current real property holdings.

Therefore, according to the information obtained to date, prima facie the Director does not have sufficient assets to discharge an insolvent trading claim should one be brought against him.

In the event an insolvent trading claim is pursued, we anticipate that significant costs would be incurred, for which a liquidator would require funding, including protection from adverse costs. Given the unpredictable nature of litigation, and in particular the defences that may be brought, it is difficult to accurately estimate the costs that may be incurred. Furthermore, insolvent trading claims are to some extent speculative and are subject to the risks of litigation, defences discussed above, and the pursuit of enforcement of any successful judgement.

As an alternative, a Liquidator can consider selling the causes of action on a commercial basis, to obtain a return in a quicker timeframe, usually at a substantial discount given the removal of risk. It would be open to any creditor or any other party to submit an offer to the Liquidators, should they have such an interest.

Overall, our view is that pursuing an insolvent trading claim against the Director or Former Directors is highly speculative given his financial capacity, and a Liquidator would require funding to mitigate those cost and recovery risks.

12. VOIDABLE TRANSACTIONS

Voidable transactions include transactions such as unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and circulating security interests created

within six months before the relation-back day, which is the date of the appointment of the Administrators.

These transactions usually relate to the period six (6) months prior to the date of our appointment; however, in certain circumstances, this period can be extended to four (4) years in relation to transactions with related entities and up to ten (10) years if the transactions were entered into with related parties with the intention of fraud.

ARITA has issued a creditor information sheet “Offences, Recoverable Transactions and Insolvent Trading” providing further information about voidable transactions. This information sheet is attached as **Annexure “14”**.

The transactions identified, if determined to be voidable, may be recoverable under the following provisions:

12.1 VOIDABLE TRANSACTION PROVISIONS

12.1.1 Unreasonable Director Related Transactions (S588FDA)

A transaction is an unreasonable director-related transaction of the Companies if:

- ▲ The transaction is a payment, a conveyance, transfer or disposition of property, the issue of securities, or incurring of an obligation to make a payment, disposition or issue by a company.
- ▲ The transaction is to a director or a close associate of a director or for their benefit.
- ▲ A reasonable person in the company’s circumstances would not have entered into the transaction having regard to the benefit or detriment to the Companies or other parties involved in the transaction.
- ▲ The transaction was entered into during the four (4) years leading to our appointment.

We have reviewed the RHS’s bank statements since RHS’s incorporation and identified the following payments which may constitute unreasonable Director Related Transactions:

- ▲ \$11M to Virtical Group (an entity related by way of common directors).
- ▲ \$114K to Risby Cove (an entity related by way of common directors).
- ▲ \$18K to John Palasty and Justin Palasty.

Some of the payments identified have been recorded in the Xero management system as loans made to these entities, and will therefore overlap any recovery of the loan accounts.

12.1.2 Unfair Preferences

An unfair preference results when a company and a Creditor are parties to a transaction(s) and the Creditor receives more than it would receive if the transaction(s) are set aside, and the Creditor proved for the debt in the winding up. If it is ultimately determined that certain payments are potentially recoverable as unfair preferences, it would be necessary to establish:

- ▲ that the company was insolvent at the time the payments were made; and
- ▲ that the recipient had reasonable grounds to suspect that the company was insolvent at that time or would become insolvent as a result of the payment.

The clawback provisions available to the Liquidator relate only to payments to unrelated parties made within six (6) months from the date of our appointment, if the Companies were insolvent at that time, known as the RBP.

Our preliminary investigations have identified payments totalling approximately \$11M paid to Virtical Group during the RBP to be of preferential nature and therefore potentially void against the liquidator.

We note however that the accounts have not been reconciled since incorporation and all the payments labelled as 'Virtical Group' may be incorrect. In order to prove an unfair preference payment, the onus is on the Liquidator to prove the payment was outside the ordinary course of the business, the party had suspicion of the company's solvency difficulties and cannot rely on a defence where the payment was received in good faith. This is typically evidenced by demands/threats, changed supply terms, payment arrangements and/or legal proceedings.

We have not received any information from the Director or Former Director advising us of the purpose of these payments.

Further investigations would be undertaken by a liquidator if appointed, prior to pursuing recovery.

12.1.3 Unfair Loans (\$588FD)

A loan is unfair if it is made to a company at extortionate interest rates or the charges in relation to the loan are extortionate. In considering whether interest and charges are extortionate, regard must be had to the following:

- Risk the lender is exposed to;
- Value of the security;
- Term;
- Repayment schedule; and
- Amount of loan.

Our preliminary investigations have not identified any unfair loans made to the Companies that could be pursued in a Liquidation scenario.

12.1.4 Uncommercial Transactions

A transaction is considered uncommercial if it is made at a time when a company is insolvent, and it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction having regard to:

- The benefits or detriment to the company of entering into the transaction; and
- The prospective benefits to other parties to the transaction.

The clawback provisions available to a Liquidator relate only to payments to unrelated parties made within two (2) years from the date of the appointment. The RBP can be extended to four (4) years for transactions with related parties.

Further investigation is required to determine whether there are any uncommercial transactions.

12.1.5 Discharge of Related Party Debts (S588FH)

A transaction is considered to have discharged a related party's debt if funds from a company are used to pay that Creditor which has had the effect of discharging, to the extent of a particular amount, a liability (whether under a guarantee or otherwise) of a related entity of the company.

We have not identified any claim for discharge of related party debts for the Companies that could be pursued in a Liquidation scenario.

12.1.6 Circulating Security Interests Created Within Six Months before the Relation-Back Day (S588FJ)

A circulating security interest in property of a company created within six (6) months before the relation-back day may be void against a Liquidator. However, circulating security interests that are created within this period for consideration paid at or after the date of creation remains valid.

We have not identified any voidable security interests in respect of the Companies.

13. BREACH OF DUTY CLAIMS

We have considered whether there are any potential breach of duty claims to be pursued against the Director/Formal Director or other parties.

As mentioned earlier, RHM reported a working capital deficiency of \$5M in FY2024 and \$4.9M as at our appointment. By continuing to trade and incur debts after this time, the Director/Formal Director caused loss to Company creditors and may have breached his duties where he:

- ▲ failed to act with reasonable care and diligence for the Companies' benefit;
- ▲ Failed to act in good faith; and
- ▲ used his position to benefit his personal interests.

We note this claim mirrors the insolvent trading claim discussed earlier, as the loss suffered is in part represented by the creditor claims incurred after the date of insolvency. We have already discussed the recovery prospects of the insolvent trading claim, including the asserted lack of capacity of the Director and Former Directors.

If creditors resolve to place the Companies into Liquidation, a Liquidator will likely explore insolvent trading and breach of duties claims together as the issues are linked, as is the loss. Similarly, the unreasonable director related transactions and unfair preferences may also form a single claim.

14. SUMMARY OF POTENTIAL OFFENCES

In summary, we consider there are various potential contraventions of the Act to consider in a Liquidation scenario:

Section	Potential Offence Identified	Summary of Offence
588FDA	Unreasonable director related transactions	Large payments made to related parties to the detriment of the Companies
180	Failure to exercise reasonable care and diligence	Incurring trade debts when insolvent /caused the Companies to claim GST credits when not entitled to do so.
181	Failure to act in good faith	Incurring trade debts when insolvent/caused the Companies to claim GST credits when not entitled to do so.
182	Use of Position	Caused the Companies to claim GST credits when not entitled to do so. Large payments made to related parties to the detriment of the Companies.
286	Failure to maintain adequate financial records	Unreconciled Financial Records as at appointment
588G	Director's duty to prevent insolvent trading	Insolvent Trading

A liquidator will be required to complete further investigation into these potential contraventions.

14.1 REPORT TO ASIC

Should the Companies be wound up, a Liquidator is required to complete an investigation into the Companies' affairs and, if offences are identified, or if the Companies are unable to pay its Creditors more than 50 cents in the dollar, lodge a report with ASIC pursuant to Section 533 of the Act.

15. ESTIMATED RETURN TO CREDITORS

The likelihood of a dividend being paid to creditors will be affected by a number of factors including:

- ▲ the size and complexity of the administration.
- ▲ the amount of voidable transactions recovered and the costs of these recoveries;
- ▲ the statutory priority of certain claims and costs;
- ▲ the value of various classes of claims including secured, priority and unsecured creditor claims; and
- ▲ the volume of enquiries by creditors and other stakeholders.

Set out in **Annexure "8"** is an estimated return scenario that may be available to creditors of the Companies in a Liquidation. Please note these figures are estimates only, and the actual results may vary materially.

In summary, we estimate that there will be no return to ordinary unsecured creditors unless substantial recoveries are made in respect of liquidators' actions.

We encourage any creditors who have not already done so, to lodge a Formal Proof of Debt (“POD”) together with relevant supporting documentation. A copy of the POD is attached as **Annexure “2”** in this regard.

16. RECOMMENDATION OF ADMINISTRATORS

Pursuant to Rule 75-225(3) of the IPR, the Administrators are required to make a statement setting out the Administrators’ opinion about each of the following matters and provide their reasons for those opinions:

- ▲ Whether it would be in the Creditors’ interests for the Companies to execute a DOCA;
- ▲ Whether it would be in the Creditors’ interests for the administrations to end;
- ▲ Whether it would be in the Creditors’ interests for the Companies to be wound up.

We set out below our opinions as to each of these options:

16.1 DEED OF COMPANY ARRANGEMENT

Creditors may resolve that the Companies execute a DOCA, however no party has proposed a DOCA, and therefore is not an option available to creditors.

We do not recommend creditors resolve that the Companies execute a DOCA on the basis that there are no DOCA proposals for creditors to consider.

16.2 ADMINISTRATION TO END

Creditors may resolve that the administration of the Companies should end, and that control of the Companies should be handed back to its Director. The Companies are clearly insolvent. Further, the business and property of the Companies have been sold and as such there would be little utility for control to be returned.

We do not recommend that the administrations end on the basis that the Companies are clearly insolvent.

16.3 LIQUIDATION

Should Creditors decide to wind up the Companies, the Administrations would convert to a Creditors Voluntary Liquidations and the Administrators would become the Liquidators, unless creditors resolved to appoint alternative Liquidators.

One of the roles of the Liquidators would be to complete investigations to determine the causes of the Companies’ failure and to identify any causes of action or voidable transaction recoveries against any entity or individual. The Liquidators are also required to report their findings to ASIC in the event that offences are uncovered.

At this stage, we do not anticipate a return to ordinary unsecured creditors. However, the Liquidators will complete their investigations and if substantial funds are recovered from the Liquidators’ actions mentioned above, dividend prospects may change.

We recommend that creditors resolve to wind up the Company.

17. RECEIPTS AND PAYMENTS

The receipts and payments for RHS is attached as **Annexure “9”**.

No receipts and payments have been made in the administration of RHM.

18. REMUNERATION OF ADMINISTRATORS / LIQUIDATORS

In compliance with the ARITA Code of Professional Practice and the requirements of the Act, we are required to provide detailed information in respect of our remuneration. We attach our Remuneration Approval Reports for RHS as **Annexure “10”** and for RHM as **Annexure “11”** which details the major tasks that have been and will be conducted in this administration. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier. In addition, a schedule of hourly rates is attached as **Annexure “12”**.

To date, our remuneration has been calculated on this “Time-Cost” basis, and we propose that it continue to be calculated on this basis. The Time-Cost method for calculating remuneration reflects the cost to our firm of the work undertaken, rather than a measure of the assets realised. In our view, the Time-Cost method is the preferable basis for calculating remuneration in an engagement such as this.

For Creditors’ information, ASIC information sheets (**Annexure “13”**) that relate to specific circumstances once an insolvency practitioner is appointed to a Company and approval of remuneration can be found at the following websites:

- <http://www.asic.gov.au/insolvencyinfosheets>
- https://www.arita.com.au/ARITA/ARITA/Insolvency_help/Insolvency-explained.aspx

18.1 VOLUNTARY ADMINISTRATION PERIOD

Creditors will be asked to approve the Administrators’ remuneration at the Second Meeting of Creditors for the costs incurred.

Please refer to the Remuneration Approval Reports, attached as **Annexure “10”** and **Annexure “11”** for further details.

18.2 LIQUIDATION PERIOD

If the Companies are placed into liquidation at the forthcoming Second Meeting of Creditors, we will be appointed Liquidators of the Company, unless creditors resolve to appoint an alternate Liquidator. We note that we have not received an alternate consent to act as Liquidator.

If we are appointed Liquidators, we will also seek approval for our estimated remuneration in conducting the Liquidation. The attached remuneration report details an estimate of the initial costs likely to be incurred in a liquidation scenario. It is an interim estimate only and actual costs may be quite different, depending on the work required and/or if litigation is pursued, which may be significant. Therefore, the estimate may change depending on matters which occur during the course of the liquidation.

Please refer to the Remuneration Approval Reports, attached as **Annexure “10”** and **Annexure “11”** for further details.

19. SECOND MEETING OF CREDITORS

The concurrent Second Meetings of Creditors will be held on Thursday, 24 October 2024 at 11:00AM AEDT. The formal Notice of Meeting is attached as **Annexure “1”** for your reference. Virtual meeting facilities will be available.

The purpose of the concurrent Second Meetings of Creditors is to enable Creditors to consider the Administrators’ Report pursuant to Rule 75-225 of the IPR and to determine the future of the Companies.

To participate as a Creditor, you should:

- ▲ Provide us with a Proof of Debt detailing your claim to be a Creditor. Proofs of Debt are enclosed as **Annexure “2”**. If you have previously provided a proof of debt and wish to supplement it, you may do so. **Otherwise, Creditors whose proofs were accepted for voting at the First Meeting are not required to be re-lodged for the concurrent Second Meetings of Creditors.**
- ▲ Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy, copies of which are attached as **Annexure “3”** for RHS and **Annexure “4”** for RHM, must be in accordance with Form 532. Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity. **Proxies from the First Meeting cannot be used at the concurrent Second Meetings, and it is necessary for creditors attending to submit new proxies for the concurrent Second Meetings of Creditors.**
- ▲ A specific proxy can be lodged showing approval or rejection of each proposal. Creditors, in lodging specific proxies, need to be mindful that their intended voting patterns can become academic or “contradictory” where the outcome of an earlier vote (in the order of proceedings) is determined in a way which could influence or change their intended voting. Proxy forms or facsimiles thereof must be lodged at my office by 4:00 PM one (1) business day prior to the meeting.

Yours faithfully,

ACN 668 487 045 PTY LTD FORMERLY KNOWN AS REPUBLIC HOTEL SYDNEY PTY LTD
ACN 668 487 072 PTY LTD FORMERLY KNOWN AS REPUBLIC HOTEL MANAGEMENT PTY LTD
(BOTH ADMINISTRATORS APPOINTED)



PETER KREJCI

Joint and Several Administrator



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "1"
Notice of Concurrent Second Meeting
of Creditors**

CORPORATIONS ACT 2001
Section 439A

Insolvency Practice Rules (Corporations)
75-10, 75-15 & 75-20

NOTICE OF CONCURRENT SECOND MEETING OF CREDITORS OF COMPANIES UNDER ADMINISTRATION

**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

(“THE COMPANIES”)

NOTICE is given that a Second Meeting of Creditors will be held concurrently at the offices of BRI Ferrier, Level 26, 25 Bligh Street, Sydney NSW 2000 on **Thursday, 24 October 2024 at 11:00 AM AEDT**.

Virtual meeting technology will also be made available should creditors wish to attend the meeting virtually. To attend virtually, creditors will need to register their details at the following link:

<https://us06web.zoom.us/meeting/register/tZwsdOutqDliG9XXU-INPXwNK-G4SKXNaeAZ>

A G E N D A

1. To receive the Report of the Administrators and receive questions from creditors.
2. To determine the current remuneration of the Administrators.
3. To determine the future remuneration of the Administrators.
4. To consider the internal disbursements of the Administrators
5. For Creditors to resolve:
 - a. That the Company execute a Deed of Company Arrangement; or
 - b. That the administration should end; or
 - c. That the Company be wound up.
6. If Creditors resolve to enter into a Deed of Company Arrangement;
 - a. To consider approving the remuneration of the Deed Administrator(s); and
 - b. To consider approving the internal disbursements of the Deed Administrator(s).
7. If Creditors resolve to wind up the Company:
 - a. To consider approving the remuneration of the Liquidator(s);
 - b. To consider approving the internal disbursements of the Liquidator(s); and
 - c. To consider the early destruction of the Company books and records.

8. To consider any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Administrators by 4:00 PM AEDT on the business day prior to the meeting.

Notes:

Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney*. The appointment of a proxy must be in the approved form.

Proxy forms must be given to the Administrators or the person named as convening the meeting. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

Special Instructions for Meeting

Attendees who wish to attend the meeting virtually are required to register to attend the meeting at the above link.

You will also need to provide a Formal Proof of Debt Form (including documentation to support your claim) and proxy form, if you are a corporate creditor or wish to be represented by another person.

Upon receipt of a valid Formal Proof of Debt Form and Proxy, a link to access the virtual meeting will be emailed to you. This link will be unique for each attendee and unable to be shared with other parties.

In accordance with IPR 75-85, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Administrators and their claim has been admitted for voting purposes wholly or in part by the Administrators.

Telephone dial-in details will also be available for the virtual meeting. Those wishing to attend via telephone will also be required to complete the above registration process.

In accordance with IPR 5-5, a vote taken on a "show of hands" includes a vote taken using any electronic mechanism that indicates the intentions of a person in respect of a vote. This may include an attendee clicking a "raise a hand", or similar button, on a virtual meeting computer program, as well as verbally indicating their vote if dialling in to the meeting.

This definition is necessary to ensure that a show of hands may be used at a virtual meeting as an alternative to a poll.

DATED this 16th day of October 2024.



PETER KREJCI

JOINT AND SEVERAL ADMINISTRATOR

BRI FERRIER
Level 26,25 Bligh Street
Sydney NSW 2000

***Voting at a Meeting the effect of Insolvency Practice Rules (Corporations) 75-85:**

Entitlement to vote at meetings of creditors

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
 - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "2"
Formal Proof of Debt or Claim Form**

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Administrators of: (please tick one)

☐

Republic Hotel Sydney Pty Ltd (Administrators Appointed) ACN 668 487 045

Republic Hotel Management Pty Ltd (Administrators Appointed) ACN 668 487 072

1. This is to state that the company was, on 20 September 2024⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
(‘Creditor’)

.....
of (full address)

for \$ dollars and cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$	GST included \$	Remarks ⁽⁴⁾ include details of voucher substantiating payment

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

☐

I am **not** a related creditor of the Company ⁽⁵⁾

☐

I am a related creditor of the Company ⁽⁵⁾

relationship:

3A.^{(6)*} I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

3B.^{(6)*} I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

<input type="checkbox"/>	<p>I authorise the External Administrators' (whether as Voluntary Administrators/Deed Administrators/Liquidators) on behalf of the Company and his or her employees and agents to send and give electronic notification of documents in accordance with Section 105A of the Corporations Act 2001 to the following email address:</p> <p>Contact Name:</p> <p>Email Address:</p>
--------------------------	--

DATED this day of 2024

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:	/ /	ADMIT (Voting / Dividend) – Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per CRA/RATA	\$	Object or H/Over for Consideration	\$

Reason for Admitting / Rejection				
PREP BY/AUTHORISED			TOTAL PROOF	\$
DATE AUTHORISED / /				

Proof of Debt Form Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:
 - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "3"
RHS Appointment of Proxy Form**

APPOINTMENT OF PROXY

A.C.N. 668 487 045 PTY LTD
(FORMERLY KNOWN AS REPUBLIC HOTEL SYDNEY PTY LTD)
(ADMINISTRATORS APPOINTED)
ACN 668 487 045
("THE COMPANY")

*I/*We⁽¹⁾of.....
a creditor of the Company, appoint⁽²⁾ or in his or her absence
..... as *my/our general/special proxy to vote at the Second Meeting of
Creditors of the Company to be held on Thursday, 24 October 2024 at 11:00 AM AEDT, or at any adjournment of
that meeting.

Please mark any boxes with an ☒

Proxy Type: ☐ General ☐ Special

	For	Against	Abstain
Resolution 1: <i>"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 20 September 2024 to 11 October 2024 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 16 October 2024, be fixed and approved at \$108,300.00 (plus GST), and that the Joint and Several Voluntary Administrators be authorised to draw that amount."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: <i>"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 12 October 2024 to 24 October 2024 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 16 October 2024 and approved to an interim cap of \$13,000.00 (plus GST), and that the Joint and Several Voluntary Administrators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain
<u>Resolution 3:</u> <i>"That the Joint and Several Voluntary Administrators be allowed internal disbursements from 20 September 2024 to 24 October 2024 at the rates of charge annexed to the Voluntary Administrators' First Report to Creditors dated 24 September 2024, up to an amount of \$1,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 4⁽³⁾:</u> <i>"That the Company execute a Deed of Company Arrangement."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 5⁽³⁾:</u> <i>"That the Voluntary Administration should end."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 6⁽³⁾:</u> <i>"That the Company be wound up."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>If creditors resolve to place the Company into Liquidation</u>			
<u>Resolution 7:</u> <i>"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 24 October 2024 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 24 October 2024, and approved to an interim cap of \$100,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 8:</u> <i>"That the Joint and Several Liquidators be allowed internal disbursements for the period 24 October 2024 to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' First Report to Creditors dated 24 September 2024, up to an amount of \$2,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 9:</u> <i>"That subject to the consent of the Australian Securities & Investments Commission, the Liquidators be approved to destroy the books and records of the Company at any time after the dissolution of the Company."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSTRUCTIONS FOR COMPLETING:

- * Strike out if inapplicable.
 - (1) Insert name and address. If a firm, strike out "I" and set out the full name of the firm.
 - (2) Insert the name, address and description of the person appointed.
 - (3) You may only vote in "favour" for one of these 3 resolutions relating to the future of the Company. You must vote "against" the other 2 resolutions.
-

DATED thisday of 2024

Signature

Proxies should be returned to the offices of BRI Ferrier by 4.00 PM AEDT one (1) business day prior to the meeting by: Email: mmandair@brifnsw.com.au, or Post: GPO Box 7079 SYDNEY NSW 2001

CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)

I,of.....certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

DATED thisday of 2024

Signature of Witness:

Description:

Place of Residence:



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "4"
RHM Appointment of Proxy Form**

APPOINTMENT OF PROXY

A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC HOTEL MANAGEMENT PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 668 487 072
("THE COMPANY")

*I/*We⁽¹⁾of.....
a creditor of the Company, appoint⁽²⁾ or in his or her absence
..... as *my/our general/special proxy to vote at the Second Meeting of
Creditors of the Company to be held on Thursday, 24 October 2024 at 11:00 AM AEDT, or at any adjournment of
that meeting.

Please mark any boxes with an ☒

Proxy Type: ☐ General ☐ Special

	For	Against	Abstain
Resolution 1: <i>"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 20 September 2024 to 11 October 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 16 October 2024, be fixed and approved at \$52,568.00 (plus GST), and that the Joint and Several Voluntary Administrators be authorised to draw that amount."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: <i>"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 12 October 2024 to 24 October 2024 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 16 October 2024 and approved to an interim cap of \$10,000.00 (plus GST), and that the Joint and Several Voluntary Administrators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain
<u>Resolution 3:</u> <i>"That the Joint and Several Voluntary Administrators be allowed internal disbursements from 20 September 2024 to 24 October 2024 at the rates of charge annexed to the Voluntary Administrators' First Report to Creditors dated 24 September 2024, up to an amount of \$1,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 4⁽³⁾:</u> <i>"That the Company execute a Deed of Company Arrangement."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 5⁽³⁾:</u> <i>"That the Voluntary Administration should end."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 6⁽³⁾:</u> <i>"That the Company be wound up."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>If creditors resolve to place the Company into Liquidation</u>			
<u>Resolution 7:</u> <i>"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 24 October 2024 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 24 October 2024, and approved to an interim cap of \$100,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 8:</u> <i>"That the Joint and Several Liquidators be allowed internal disbursements for the period 24 October 2024 to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' First Report to Creditors dated 24 September 2024, up to an amount of \$2,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 9:</u> <i>"That subject to the consent of the Australian Securities & Investments Commission, the Liquidators be approved to destroy the books and records of the Company at any time after the dissolution of the Company."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSTRUCTIONS FOR COMPLETING:

- * Strike out if inapplicable.
- (1) Insert name and address. If a firm, strike out "I" and set out the full name of the firm.
- (2) Insert the name, address and description of the person appointed.
- (3) You may only vote in "favour" for one of these 3 resolutions relating to the future of the Company. You must vote "against" the other 2 resolutions.
-

DATED thisday of 2024

Signature

Proxies should be returned to the offices of BRI Ferrier by 4.00 PM AEDT one (1) business day prior to the meeting by: Email: mmandair@brifnsw.com.au, or Post: Level 26, 25 Bligh Street SYDNEY NSW 2001

CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)

I,of.....certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

DATED thisday of 2024

Signature of Witness:

Description:

Place of Residence:



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "5"
Director and Former Director's
Related Entities**

DIRECTORSHIPS - JOHN PALASTI

No.	Company	Status	ACN	Position	Start Date	Cease Date
1	GALLAGHER TRADING PTY LTD.	Registered	676 072 610	Director	25-Mar-24	05-Sep-24
2	VERTICAL METRO PTY LTD	Deregistered	675 437 144	Director	01-Mar-24	05-Sep-24
3	VERTICAL METRO MANAGEMENT PTY LTD	Deregistered	675 444 925	Director	01-Mar-24	05-Sep-24
4	BRIDGE & PITT STREET NO 1 PTY LTD	Registered	674 954 744	Director/Secretary	13-Feb-24	05-Sep-24
5	BRIDGE & PITT STREET NO 2 PTY LTD	Registered	674 954 931	Director/Secretary	13-Feb-24	05-Sep-24
6	BRIDGE & PITT STREET NO 3 PTY LTD	Registered	674 955 063	Director/Secretary	13-Feb-24	05-Sep-24
7	EDEN NSW NO 1 PTY LTD	Registered	674 950 442	Director/Secretary	13-Feb-24	05-Sep-24
8	EDEN NSW NO 2 PTY LTD	Registered	674 952 106	Director/Secretary	13-Feb-24	05-Sep-24
9	FLINDERS LANE VIC NO 1 PTY LTD	Registered	674 952 268	Director/Secretary	13-Feb-24	05-Sep-24
10	FLINDERS LANE VIC NO 2 PTY LTD	Registered	674 953 667	Director/Secretary	13-Feb-24	05-Sep-24
11	TAYLOR SQUARE NO 1 PTY LTD	Registered	674 955 376	Director/Secretary	13-Feb-24	05-Sep-24
12	TAYLOR SQUARE NO 2 PTY LTD	Registered	674 955 563	Director/Secretary	13-Feb-24	05-Sep-24
13	TAYLOR SQUARE NO 3 PTY LTD	Registered	674 959 472	Director/Secretary	13-Feb-24	05-Sep-24
14	TOP CLASS BUILDING (AUS) PTY LTD	Registered	673 951 338	Director/Secretary	03-Jan-24	05-Sep-24
15	ADELPHI (VIC) PTY LTD	Registered	670 830 887	Director/Secretary	28-Nov-23	05-Sep-24
16	NEWCASTLE DENISON PTY LTD	Registered	667 809 743	Director/Secretary	28-Nov-23	05-Sep-24
17	REPUBLIC HOTEL MANAGEMENT PTY LTD	Under External Administration	668 487 072	Director/Secretary	28-Nov-23	05-Sep-24
18	THE COURTHOUSE (NSW) PTY LTD	Registered	670 834 572	Director/Secretary	28-Nov-23	05-Sep-24
19	THE COURTHOUSE MANAGEMENT PTY LTD	Registered	670 835 300	Director/Secretary	28-Nov-23	05-Sep-24
20	THE JEWEL OF EDEN MOTEL PTY LTD	Registered	656 783 774	Director/Secretary	28-Nov-23	05-Sep-24
21	THE SAPPHIRE AUSTRALASIA PTY LTD	Under External Administration	655 675 442	Director/Secretary	28-Nov-23	05-Sep-24
22	THE WHALE HOTEL PTY LTD	Registered	656 052 578	Director/Secretary	28-Nov-23	05-Sep-24
23	VERTICAL PTY LTD	Registered	668 065 441	Director/Secretary	28-Nov-23	05-Sep-24
24	CEDAR GROVE TAS PTY LTD	Registered	671 936 628	Director/Secretary	07-Oct-23	05-Sep-24
25	NERANG QLD PTY LTD	Registered	667 994 569	Director/Secretary	20-Sep-23	05-Sep-24
26	NEWCASTLE DENISON PTY LTD	Registered	667 809 743	Director/Secretary	20-Sep-23	28-Nov-23
27	REPUBLIC HOTEL SYDNEY PTY LTD	Under External Administration	668 487 045	Director/Secretary	20-Sep-23	05-Sep-24
28	RISBY COVE TAS PTY LTD	Under External Administration	667 994 194	Director/Secretary	20-Sep-23	05-Sep-24
29	TWOFOLD ACCOMMODATION PTY LTD	Deregistered	667 257 150	Director/Secretary	14-Apr-23	05-Sep-24
30	BORDER HOTEL ADELAIDE PTY LTD	Deregistered	621 288 980	Director	29-Aug-17	13-Jun-18
31	BORDER HOTEL PALM COVE PTY LTD	Deregistered	621 373 653	Director	29-Aug-17	13-Jun-18
32	SOUTHERN HIGHLANDS HOLDINGS PTY LTD	Deregistered	155 315 352	Director/Secretary	24-Jan-12	31-Jan-12
33	SOUTHERN HIGHLAND HOLDINGS (QLD) PTY LTD	Deregistered	155 315 174	Director/Secretary	24-Jan-12	31-Jan-12
34	WATSON ROAD MOSS VALE DEVELOPMENTS PTY LIMITED	Deregistered	149 680 286	Director/Secretary	04-Mar-11	31-Jan-12
35	GIBRALTAR PARK BOWRAL DEVELOPMENTS PTY LIMITED	Deregistered	149 680 277	Director/Secretary	04-Mar-11	31-Jan-12
36	8 HERBERT ST LEURA PTY LTD	Deregistered	147 985 386	Director/Secretary	20-Jan-11	31-Jan-12
37	FEVEAUX HOTEL DEVELOPMENTS PTY LTD	Deregistered	147 985 377	Director/Secretary	22-Dec-10	26-Feb-12
38	SMITHFIELD HIMALAYAN DEVELOPMENTS PTY LTD	Deregistered	147 985 368	Director/Secretary	22-Dec-10	31-Jan-12
39	PRIME SYDNEY PROPERTY & DEVELOPMENTS PTY LTD	Deregistered	143 167 453	Director/Secretary	01-Dec-10	31-Jan-12
40	GOULBURN MYCORP CONSTRUCTIONS PTY LTD	Deregistered	133 217 026	Director/Secretary	28-Oct-10	30-Jan-11

No.	Company	Status	ACN	Position	Start Date	Cease Date
41	AUSTRALIAN RECOVERY SERVICES PTY LIMITED	Deregistered	138 800 512	Director/Secretary	11-Aug-09	15-Jan-12
42	DARLING HARBOUR FOUR POINTS PTY. LIMITED	Deregistered	135 242 394	Director/Secretary	05-Feb-09	13-May-09
43	A.C.N. 135 061 666 PTY. LIMITED	Deregistered	135 061 666	Director/Secretary	23-Jan-09	12-Jun-11
44	NORTBALE PTY LTD	Deregistered	106 550 225	Director/Secretary	24-Oct-08	26-Feb-12
45	MYCORP STORAGE & HANDLING FACILITIES PTY LTD	Deregistered	133 086 192	Director/Secretary	04-Sep-08	30-Jan-11
46	A.P.I.D (AUSTRALIAN PROPERTY INVESTMENTS & DEVELOPMENT) PTY LTD	Deregistered	108 363 113	Director	19-Jun-08	26-Feb-12
47	BILLABONG HOTEL (ST MARYS) PTY LIMITED	Deregistered	097 652 956	Director	19-Jun-08	31-Jan-12
48	CHERRYMOON PTY LTD	Deregistered	107 253 341	Director	19-Jun-08	26-Feb-12
49	GOULBURN HOTELS PTY LTD	Deregistered	129 448 620	Director	19-Jun-08	20-Jun-10
50	JANOS NORTHBRIDGE PTY LTD	Deregistered	118 771 127	Director	19-Jun-08	01-Aug-10
51	MACQUARIE ARCADE PARRAMATTA PTY LTD	Deregistered	118 644 447	Director	19-Jun-08	26-Feb-12
52	MYCORP INVESTMENTS PTY LTD	Deregistered	110 689 524	Director	19-Jun-08	10-Jan-10
53	MYCORP PROPERTIES PTY LTD	Deregistered	118 052 485	Director	19-Jun-08	19-Jun-11
54	MYCORP INVESTMENTS AND DEVELOPMENT GROUP PTY LTD	Deregistered	130 819 895	Director/Secretary	28-Apr-08	20-Sep-10
55	LENNOX TOWER PTY LTD	Deregistered	126 143 897	Director	19-Nov-07	12-Jun-11
56	MYCORP PROJECTS PTY LTD	Deregistered	118 151 689	Director/Secretary	24-Mar-06	26-Feb-12
57	LEWISHAM BAR & HOTEL PTY LIMITED	Deregistered	100 783 426	Director/Secretary	06-Mar-03	07-May-06
58	LIVERPOOL HOTELS PTY LIMITED	Deregistered	099 526 762	Director/Secretary	06-Mar-03	26-Feb-12
59	RAILWAY SQUARE (LIVERPOOL) PTY LIMITED	Deregistered	100 247 916	Director/Secretary	31-Jan-03	28-Aug-05
60	BILLABONG HOTEL (ST MARYS) PTY LIMITED	Deregistered	097 652 956	Director	22-Aug-01	14-Jan-02
61	GATEWAY DEVELOPMENT (ST MARYS) PTY LIMITED	Deregistered	097 639 677	Director	22-Aug-01	14-Jan-02
62	ADVANCED FINANCIAL SERVICES (NSW) PTY LIMITED	Deregistered	088 409 901	Director/Secretary	10-Apr-00	17-Feb-03
63	BORDER ISLAND PTY LIMITED	Deregistered	091 303 918	Director/Secretary	24-Jan-00	22-Jan-02
64	BORDER CORPORATION (NSW) PTY LTD	Deregistered	090 766 868	Director/Secretary	02-Dec-99	24-Dec-01
65	BORDER CORPORATION (QLD) PTY LTD	Deregistered	090 766 457	Director/Secretary	02-Dec-99	28-Apr-03
66	BORDER CORPORATION (VIC) PTY LTD	Deregistered	090 766 475	Director/Secretary	02-Dec-99	12-Apr-01
67	BORDER CORPORATION (WA) PTY LTD	Deregistered	090 766 484	Director/Secretary	02-Dec-99	12-Apr-01
68	BORDER CORPORATION (SA) PTY LTD	Deregistered	090 766 493	Director/Secretary	02-Dec-99	12-Apr-01
69	BORDER CORPORATION (NT) PTY LTD	Deregistered	090 766 500	Director/Secretary	02-Dec-99	12-Apr-01
70	BORDER CORPORATION (TAS) PTY LTD	Deregistered	090 766 519	Director/Secretary	02-Dec-99	12-Apr-01
71	BORDER CORPORATION PTY LIMITED	Deregistered	090 452 501	Director/Secretary	08-Nov-99	24-Apr-03
72	ALICE SPRINGS DEVELOPMENT PTY LIMITED	Deregistered	089 062 966	Director/Secretary	12-Aug-99	24-Apr-03
73	SOUTHERN HIGHLANDS DEVELOPMENT PTY LIMITED	Deregistered	088 990 069	Director/Secretary	06-Aug-99	22-Jun-04
74	TROPICAL HOTELS (NO.1) PTY LTD	Deregistered	009 627 436	Director/Secretary	30-Jul-99	04-Aug-00
75	AUSTRALIAN FRONTIER HOLIDAYS LIMITED	Deregistered	009 635 296	Director/Secretary	22-Jul-99	08-Nov-02
76	AUSTRALIAN FRONTIER HOLIDAY OPERATIONS PTY LTD	Deregistered	009 619 265	Director/Secretary	22-Jul-99	12-Apr-04
77	DFH PTY LTD	Deregistered	009 646 262	Director/Secretary	22-Jul-99	12-Apr-04
78	EMBLEM PTY. LTD.	Deregistered	009 606 302	Director/Secretary	22-Jul-99	08-Nov-02
79	K.F.L. PTY. LTD.	Deregistered	009 646 253	Director/Secretary	22-Jul-99	17-Feb-03
80	KFM (KATHERINE) PTY LTD	Deregistered	009 627 481	Director/Secretary	22-Jul-99	12-Apr-04
81	OFR (ALICE SPRINGS) PTY LTD	Deregistered	009 638 046	Director/Secretary	22-Jul-99	12-Apr-04

No.	Company	Status	ACN	Position	Start Date	Cease Date
82	TROPICAL HOTELS PTY. LTD.	Deregistered	009 592 358	Director/Secretary	22-Jul-99	04-Aug-00
83	MACARTHUR OFFICES PTY LIMITED	Deregistered	085 676 151	Director/Secretary	22-Dec-98	23-May-04
84	INTERNATIONAL HOTEL GROUP AUSTRALIA LIMITED	Deregistered	083 694 044	Director/Secretary	03-Aug-98	17-Feb-03
85	HOTEL ASSETS AUSTRALIA PTY LIMITED	Deregistered	083 687 058	Director/Secretary	31-Jul-98	08-Nov-02
86	PACIFIC HOME SOLUTIONS PTY LTD	Deregistered	082 576 789	Director/Secretary	15-May-98	26-Jun-98
87	A.C.N. 082 044 004 LIMITED	Deregistered	082 044 004	Director/Secretary	24-Mar-98	16-May-04
88	MACARTHUR CONSTRUCTIONS PTY LIMITED	Deregistered	077 490 898	Director/Secretary	27-Feb-97	21-Dec-03
89	CATTAI MINING CORPORATION PTY LIMITED	Deregistered	074 500 315	Director/Secretary	29-Jul-96	12-Apr-01
90	DRUMMER PTY. LTD.	Deregistered	074 153 012	Director/Secretary	31-May-96	29-Nov-96
91	PACIFIC BATHROOMS PTY LIMITED	Deregistered	074 153 030	Director/Secretary	31-May-96	08-Nov-02
92	OXAWIN PTY LTD	Deregistered	071 103 798	Director/Secretary	02-Feb-96	03-Jul-98
93	M.E.P. PLUMBING PTY. LIMITED	Deregistered	067 156 996	Director	15-Nov-94	07-Oct-97
94	JOINT VENTURE FIJI 34 PTY. LIMITED	Deregistered	066 717 155	Director/Secretary	07-Oct-94	03-Jul-98
95	ANTI POLLUTION TECHNOLOGY PTY LIMITED	Deregistered	061 129 084	Director	02-Sep-93	11-Sep-98
96	FLORIDA PACIFIC PTY LIMITED	Deregistered	057 704 051	Director/Secretary	26-Nov-92	11-Apr-01
97	VIEWHULK PTY. LIMITED	Deregistered	056 879 406	Director	31-Aug-92	26-Feb-93
98	TOLSTED PTY. LIMITED	Deregistered	003 553 544	Director	23-Jan-92	29-Apr-98
99	LAYIST PTY. LIMITED	Deregistered	050 325 543	Director	04-Dec-90	02-Sep-94
100	PANABO PTY. LIMITED	Deregistered	003 984 021	Director	14-Jun-90	09-Jun-02

SHAREHOLDINGS - JOHN PALASTI

No	Company	ACN	Share Class	No. of Shares	Fully Paid	Status
1	ADELPHI (VIC) PTY LTD	670 830 887	ORD	20	Yes	Ceased/Former
2	BORDER HOTEL ADELAIDE PTY LTD	621 288 980	ORD	100	Yes	Ceased/Former
3	BORDER HOTEL PALM COVE PTY LTD	621 373 653	ORD	100	Yes	Ceased/Former
4	CEDAR GROVE MANAGEMENT PTY LTD	671 936 977	ORD	10	Yes	Ceased/Former
5	CEDAR GROVE TAS PTY LTD	671 936 628	ORD	100	Yes	Ceased/Former
6	FLORIDA PACIFIC PTY LIMITED	057 704 051	ORD	1	Yes	Ceased/Former
7	KINSELAS MANAGEMENT PTY LTD	670 836 647	ORD	20	Yes	Ceased/Former
8	KINSELAS PTY LTD	670 836 683	ORD	20	Yes	Ceased/Former
9	LAYIST PTY. LIMITED	050 325 543	ORD	1	Yes	Ceased/Former
10	MYCORP INVESTMENTS AND DEVELOPMENT GROUP PTY LTD	130 819 895	ORD	1000	Yes	Ceased/Former
11	MYCORP STORAGE & HANDLING FACILITIES PTY LTD	133 086 192	ORD	100	Yes	Ceased/Former
12	NERANG QLD MANAGEMENT PTY LTD	667 994 630	ORD	4	Yes	Ceased/Former
13	NERANG QLD PTY LTD	667 994 569	ORD	4	Yes	Ceased/Former
14	NEWCASTLE DENISON MANAGEMENT PTY LTD	667 810 031	ORD	4	Yes	Ceased/Former
15	NEWCASTLE DENISON PTY LTD	667 809 743	ORD	4	Yes	Ceased/Former
16	PANABO PTY. LIMITED	003 984 021	ORD	1	Yes	Ceased/Former
17	REPUBLIC HOTEL MANAGEMENT PTY LTD	668 487 072	ORD	4	Yes	Ceased/Former
18	REPUBLIC HOTEL SYDNEY PTY LTD	668 487 045	ORD	4	Yes	Ceased/Former
19	RISBY COVE MANAGEMENT PTY LTD	667 994 461	ORD	4	Yes	Ceased/Former
20	RISBY COVE TAS PTY LTD	667 994 194	ORD	4	Yes	Ceased/Former
21	THE COURTHOUSE (NSW) PTY LTD	670 834 572	ORD	20	Yes	Ceased/Former
22	THE COURTHOUSE MANAGEMENT PTY LTD	670 835 300	ORD	20	Yes	Ceased/Former
23	TOLSTED PTY. LIMITED	003 553 544	ORD	1	Yes	Ceased/Former
24	VIRTICAL PTY LTD	668 065 441	ORD	4	Yes	Ceased/Former

DIRECTORSHIPS - MARK TOMA

No.	Company	Status	ACN	Position	Start Date	Cease Date
1	COM TRADE INTERNATIONAL PTY LTD	Registered	673 473 679	Director	06-Dec-23	Current
2	VOGUE PROJECTS AUSTRALIA PTY LTD	Registered	635 330 620	Director	06-Dec-23	Current
3	CEDAR GROVE MANAGEMENT PTY LTD	Registered	671 936 977	Director/Secretary	05-Oct-23	28-Nov-23
4	CEDAR GROVE TAS PTY LTD	Registered	671 936 628	Director	05-Oct-23	28-Nov-23
5	ADELPHI (VIC) PTY LTD	Registered	670 830 887	Director/Secretary	28-Aug-23	28-Nov-23
6	KINSELAS MANAGEMENT PTY LTD	Registered	670 836 647	Director/Secretary	28-Aug-23	28-Nov-23
7	KINSELAS PTY LTD	Registered	670 836 683	Director/Secretary	28-Aug-23	28-Nov-23
8	THE COURTHOUSE (NSW) PTY LTD	Registered	670 834 572	Director/Secretary	28-Aug-23	28-Nov-23
9	THE COURTHOUSE MANAGEMENT PTY LTD	Registered	670 835 300	Director/Secretary	28-Aug-23	28-Nov-23
10	A.C.N. 668 487 072 PTY LTD	Under External Administration	668 487 072	Director/Secretary	03-Jun-23	28-Nov-23
11	A.C.N. 668 487 045 PTY LTD	Under External Administration	668 487 045	Director	03-Jun-23	28-Nov-23
12	A.C.N. 668 487 045 PTY LTD	Under External Administration	668 487 045	Secretary	03-Jun-23	20-Sep-23
13	VIRTICAL PTY LTD	Registered	668 065 441	Director/Secretary	17-May-23	28-Nov-23
14	NERANG QLD MANAGEMENT PTY LTD	Registered	667 994 630	Director/Secretary	15-May-23	28-Nov-23
15	NERANG QLD PTY LTD	Under External Administration	667 994 569	Director/Secretary	15-May-23	28-Nov-23
16	RISBY COVE MANAGEMENT PTY LTD	Under External Administration	667 994 461	Director/Secretary	15-May-23	28-Nov-23
17	RISBY COVE TAS PTY LTD	Under External Administration	667 994 194	Director/Secretary	15-May-23	28-Nov-23
18	NEWCASTLE DENISON PTY LTD	Under External Administration	667 809 743	Director/Secretary	08-May-23	28-Nov-23
19	NEWCASTLE DENISON MANAGEMENT PTY LTD	Registered	667 810 031	Director/Secretary	08-May-23	28-Nov-23
20	TWOFOLD ARCADE EDEN PTY LTD	Registered	664 337 508	Director/Secretary	07-Dec-22	28-Nov-23
21	EDEN AUSTRALASIA MANAGEMENT PTY LTD	Registered	658 288 889	Director/Secretary	24-Mar-22	28-Nov-23
22	THE JEWEL OF EDEN MOTEL PTY LTD	Registered	656 783 774	Director	24-Jan-22	10-Jan-24
23	THE JEWEL OF EDEN MOTEL PTY LTD	Registered	656 783 774	Secretary	24-Jan-22	28-Nov-23
24	CAPITAL HILL ASSETS PTY LTD	Registered	656 633 591	Director/Secretary	18-Jan-22	Current
25	THE WHALE HOTEL PTY LTD	Registered	656 052 578	Director/Secretary	14-Dec-21	28-Nov-23
26	THE SAPPHIRE AUSTRALASIA PTY LTD	Under External Administration	655 675 442	Director/Secretary	29-Nov-21	28-Nov-23
27	DGA ASSETS PTY LTD	Registered	654 895 388	Director/Secretary	28-Oct-21	Current
28	EDEN AUSTRALASIA PTY LTD	Under External Administration	653 282 609	Director/Secretary	31-Aug-21	28-Nov-23
29	BOND GLOBAL CAPITAL PTY LTD	Registered	652 537 598	Director/Secretary	04-Aug-21	Current
30	PROVIA PROJECTS PTY LTD	Registered	651 824 814	Director/Secretary	08-Jul-21	28-Nov-23
31	FORMOLA1 PTY LTD	Registered	646 787 948	Director/Secretary	23-Dec-20	Current
32	A.C.N. 644 794 463 PTY LTD	Deregistered	644 794 463	Director/Secretary	01-Oct-20	24-Oct-21
33	A.C.N. 644 795 139 PTY LTD	Deregistered	644 795 139	Director/Secretary	01-Oct-20	24-Oct-21
34	CORE ASSET INVESTMENTS PTY LTD	Registered	644 206 324	Director/Secretary	09-Sep-20	28-Nov-23
35	CORE ASSET DEVELOPMENT PTY LTD	Registered	643 711 200	Director/Secretary	22-Aug-20	11-May-23
36	VOGUE PROJECTS AUSTRALIA PTY LTD	Registered	635 330 620	Director/Secretary	05-Aug-19	21-Dec-20
37	TOP CLASS CONSTRUCTION NSW PTY LTD	Registered	621 721 757	Director	15-Sep-17	12-Oct-23
38	TOP CLASS CONSTRUCTION NSW PTY LTD	Registered	621 721 757	Secretary	15-Sep-17	10-Jul-21
39	AM NSW HOLDINGS PTY LTD	Registered	620 510 670	Director/Secretary	17-Jul-17	Current
40	DGA GLOBAL PTY LTD	Registered	619 844 843	Director/Secretary	19-Jun-17	Current
41	DGA INTERNATIONAL PTY LTD	Registered	619 716 915	Director/Secretary	13-Jun-17	Current

No.	Company	Status	ACN	Position	Start Date	Cease Date
42	AM NSW PTY LIMITED	Under External Administration	163 065 478	Director	28-Mar-13	14-Nov-19
43	AUSTRALIA ENTERPRISES PTY LTD	Registered	155 886 187	Director	23-Feb-12	06-Apr-13
44	D & G CONSULTING PTY LTD	Deregistered	135 265 986	Director/Secretary	06-Feb-09	16-Sep-10
45	ROCKDALE JEWELLERY (AUST) PTY LTD	Deregistered	097 933 885	Director/Secretary	23-Aug-01	26-Jun-02
46	GAMA GOLD PTY LTD	Registered	081 230 846	Director	23-Mar-99	01-Jul-03

SHAREHOLDINGS - MARK TOMA

No	Company	ACN	Share Class	No. of Shares	Fully Paid	Status
1	A.C.N. 644 794 463 PTY LTD	644 794 463	ORD	1	Yes	Ceased/Former
2	A.C.N. 644 795 139 PTY LTD	644 795 139	ORD	1	Yes	Ceased/Former
3	A.C.N. 668 487 045 PTY LTD	668 487 045	ORD	4	Yes	Ceased/Former
4	A.C.N. 668 487 072 PTY LTD	668 487 072	ORD	4	Yes	Ceased/Former
5	ADELPHI (VIC) PTY LTD	670 830 887	ORD	20	Yes	Ceased/Former
6	AM NSW PTY LIMITED	163 065 478	ORD	2	Yes	Ceased/Former
7	AUSTRALIA ENTERPRISES PTY LTD	155 886 187	ORD	1	Yes	Ceased/Former
8	CAPITAL HILL ASSETS PTY LTD	656 633 591	ORD	2	Yes	Current
9	CEDAR GROVE MANAGEMENT PTY LTD	671 936 977	ORD	10	Yes	Ceased/Former
10	CEDAR GROVE TAS PTY LTD	671 936 628	ORD	100	Yes	Ceased/Former
11	COM TRADE INTERNATIONAL PTY LTD	673 473 679	ORD	10	Yes	Current
12	D & G CONSULTING PTY LTD	135 265 986	ORD	100	Yes	Ceased/Former
13	DGA ASSETS PTY LTD	654 895 388	ORD	10	Yes	Current
14	DGA GLOBAL PTY LTD	619 844 843	ORD	1	Yes	Current
15	DGA INTERNATIONAL PTY LTD	619 716 915	ORD	1	Yes	Current
16	GAMA GOLD PTY LTD	081 230 846	ORD	30	Yes	Ceased/Former
17	KINSELAS MANAGEMENT PTY LTD	670 836 647	ORD	20	Yes	Ceased/Former
18	KINSELAS PTY LTD	670 836 683	ORD	20	Yes	Ceased/Former
19	MI SYDNEY PTY LTD	626 086 244	ORD	1	Yes	Ceased/Former
20	NERANG QLD MANAGEMENT PTY LTD	667 994 630	ORD	4	Yes	Ceased/Former
21	NERANG QLD PTY LTD	667 994 569	ORD	4	Yes	Ceased/Former
22	NEWCASTLE DENISON MANAGEMENT PTY LTD	667 810 031	ORD	4	Yes	Ceased/Former
23	NEWCASTLE DENISON PTY LTD	667 809 743	ORD	4	Yes	Ceased/Former
24	RISBY COVE MANAGEMENT PTY LTD	667 994 461	ORD	4	Yes	Ceased/Former
25	RISBY COVE TAS PTY LTD	667 994 194	ORD	4	Yes	Ceased/Former
26	ROCKDALE JEWELLERY (AUST) PTY LTD	097 933 885	ORD	1	Yes	Ceased/Former
27	THE COURTHOUSE (NSW) PTY LTD	670 834 572	ORD	20	Yes	Ceased/Former
28	THE COURTHOUSE MANAGEMENT PTY LTD	670 835 300	ORD	20	Yes	Ceased/Former
29	THE SAPPHIRE AUSTRALASIA PTY LTD	655 675 442	ORD	50	Yes	Ceased/Former
30	THE WHALE HOTEL PTY LTD	656 052 578	ORD	50	Yes	Ceased/Former
31	VIRTICAL PTY LTD	668 065 441	ORD	4	Yes	Ceased/Former
32	VOGUE PROJECTS AUSTRALIA PTY LTD	635 330 620	ORD	4	Yes	Current



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "6"
Comparative Balance Sheets**

A.C.N 668 487 045 Pty Ltd formerly known as Republic Hotel Sydney Pty Ltd & A.C.N 668 487 072 Pty Ltd formerly known as Republic Hotel Management Pty Ltd Comparative Balance Sheets As at 30 June 2024 and 20 Sept 2024		
	As at 30-Jun-24 (\$)	As at 20-Sep-24 (\$)
ASSETS		
Current Assets		
Cash and cash equivalents	4,521	48,143
Republic Gaming	85	3
Republic General 2	84	-
Republic Hotel	15	891
The Republic General	4,337	47,213
The Republic TAB	-	36
TAB Banking	4,205	20,240
TAB ATM Banking Clearing	850	850
TAB Banking Clearing	3,355	18,851
TAB Variance	-	539
Cash on Premises	110,245	110,000
Stock on Hand	114,431	102,570
Trade receivables	245	245
Clearing Accounts	75,477	153,676
Banking Clearing	3,432	(11,973)
Eftpos Clearing	45,834	20,001
Gaming Banking Clearing	26,211	156,248
Gaming EFT Clearing	-	(10,601)
Other assets	140,735	71,149
Negative Banks	-	(7,069)
POS VS Z-READS Discrepancy	-	(21,914)
Prepayments	52,560	9,410
Seven Rooms Ledger	-	1,158
Transactions Relating to Purchase of Busin	77,380	77,380
Web Orders Ledger	10,795	12,184
Total Current Assets	449,860	506,023
Fixed Assets		
Artwork	9,646	9,646
Building Improvements	38,862	43,520
Computer Equipment	23,443	23,443
Kitchen Renovation	72,987	72,987
Plant & Equipment	90,701	90,701
Total Fixed Assets	235,639	240,297
Non-Current Assets		
Loans and advances	7,383,826	8,255,597
Loan - Batemans	816	816
Loan - Metropolitan	15,400	15,400
Loan - Newcastle Management	2,400	2,400
Loan - Risby Cove Tasmania	229,916	230,966
Loan - Virtical Group	7,135,294	8,006,015
Total Non-Current Assets	7,383,826	8,255,597
TOTAL ASSETS	8,069,324	9,001,917
LIABILITIES		
Current Liabilities		
Trade and other payables	1,835,600	2,229,427
Accounts Payable	1,577,161	1,475,446
Customer Deposits (Functions)	6,753	9,353
GST Payable	115,544	256,409
PAYG Withholdings Payable	70,991	156,808
Provision for ADO	7,473	5,481
Provision for Annual Leave	21,871	12,792
Provision for Gaming Tax	-	197,171
Superannuation Payable	35,808	85,731
Wages Payable - Payroll	-	30,237
SOLPOINT Queries	3,500,556	3,500,556
Loans and Advances	(558)	10,257
Suspense and Rounding	15,002	15,002
Rounding	2	2
Suspense	15,000	15,000
Total Current Liabilities	5,350,600	5,755,242
Non-Current Liabilities		
Loans and advances	1,774,633	1,777,715
Total Non-Current Liabilities	1,774,633	1,777,715
TOTAL LIABILITIES	7,125,233	7,532,957
NET ASSETS	944,091	1,468,960
EQUITY		
Current Earnings	944,241	524,869
Retained Earnings	(150)	944,091
TOTAL EQUITY	944,091	1,468,960



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "7"
Comparative Profit and Loss
statements**

A.C.N 668 487 045 Pty Ltd
formerly known as Republic Hotel Sydney Pty Ltd
&
A.C.N 668 487 072 Pty Ltd
formerly known as Republic Hotel Management Pty Ltd
Comparative Profit & Loss Statements
For the Financial Years Ended 30 June 2024 and Period Ended 20 Sept 2024

	Year Ended 30-Jun-24 (\$)	Period Ended 20-Sep-24 (\$)
Trading Income		
Food & Beverage Income	3,759,741	1,136,449
Function Income	121,115	13
TAB & Gaming	2,696,569	788,446
Other Revenue	53,990	22,955
Total Trading Income	6,631,415	1,947,864
Cost of Sales		
Food & Beverage	2,603,131	681,911
Functions	65,272	-
TAB & Gaming	1,421,479	408,801
Total Cost of Sales	4,089,882	1,090,712
Gross Profit	2,541,533	857,151
Operating Expenses		
Advertising & Marketing	72,124	3,137
Bank Fees	569	87
Computer Software & Supplies	1,815	-
General Expenses	6,612	-
Interest Expense	1,976	206
Internet & Digital	37,058	4,571
Leave Accruals - Management	(4,185)	(11,054)
Merchant Fees	22,151	3,078
Subscriptions	37,118	11,869
Staging, Theming	21,663	-
Stocktaking Fees	9,588	3,900
Travel - National	47,987	111
Wages - Management	386,026	92,983
Accounting Fees - Internal	-	436
Cleaning - Kitchen	3,380	678
Insurance	227,028	39,623
Legal expenses	465	-
Software and Support	13,627	14,459
Superannuation	-	12,582
Telephone & Internet	-	600
Leave Accruals - Bar	4,552	-
Leave Accruals - Kitchen	(8,386)	3,107
Security - Banking	18,151	1,105
Leave Accruals - Gaming	2,047	(3,124)
Licences	2,442	1,179
Occupancy Expenses	201,011	51,985
Professional Fees	107,237	16,846
Repairs & Maintenance	137,904	14,796
Security	98,780	23,734
Staff Costs	148,551	45,391
	1,597,292	332,283
Net Profit	944,241	524,869



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "8"
Estimated Outcome Statement**

A.C.N. 668 487 045 Pty Ltd
formerly known as Republic Hotel Sydney Pty Ltd
&
A.C.N. 668 487 072 Pty Ltd
formerly known as Republic Hotel Management Pty Ltd
Estimated Outcome Statement

	Management Accounts (maintained in Xero) 20/9/2024	High (\$)	Low (\$)
Assets			
Cash and Cash Equivalents	48,143	51,514	51,514
TAB Banking	20,240	-	-
Cash on Premises	110,000	-	-
Stock on Hand	102,570	-	-
Trade receivables	245	-	-
Clearing Accounts	153,676	-	-
Other assets	71,149	-	-
Fixed assets	240,297	-	-
Loans and advances	8,255,597	unknown	unknown
Sale of business and Freehold Property	-	32,000,000	32,000,000
Total Realisations	9,001,917	32,051,514	32,051,514
Recoveries in Liquidation			
Uncommercial Transaction Claim	-	unknown	unknown
Insolvent Trading Claims	-	unknown	unknown
Breach of Director Duties Claims	-	unknown	unknown
Total Recoveries	-	-	-
Less: Administration Costs			
Administrators' Remuneration (Accrued)	-	160,868	160,868
Administrators' Additional Remuneration (Future)	-	23,000	40,000
Administrators' Disbursements	-	1,000	1,000
Liquidators Remuneration (Est.)	-	100,000	200,000
Liquidator's Disbursements (Est.)	-	2,000	2,000
Legal Costs	-	50,000	50,000
Total Administration Costs	-	336,868	453,868
Estimated Surplus Available for Secured Creditors	9,001,917	31,714,646	31,597,646
Secured Creditor Claims (Estimated)	-	91,515,778	91,515,778
Total Secured Creditor Claims	-	91,515,778	91,515,778
Estimated Surplus Available to Priority Creditors	9,001,917	-	-
Priority Creditor Claims (Estimated)			
Wages and Superannuation	115,968	85,731	85,731
Annual Leave & Accrued Day Off	18,272	29,696	29,696
PILN and Redundancy	-	52,863	52,863
Total Priority Creditor Claims	134,240	168,290	168,290
Estimated Surplus Available to Unsecured Creditors	8,867,677	-	-
Unsecured Creditors			
Statutory Creditors	610,388	15,890,128	15,890,128
Directors Loan Account	10,257	1,483,334	1,483,334
Other Creditors	5,000,357	1,777,715	1,777,715
Total Unsecured Creditors	5,621,002	19,151,177	19,151,177
Net Surplus / Deficiency for Creditors	3,246,675	(19,151,177)	(19,151,177)

Summary of Return to Creditors	High	
	Cents/\$	Low Cents/\$
Secured Creditors	0.35	0.35
Priority Creditors	-	-
Unsecured Creditors	-	-



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "g"
RHS Summary of Receipts &
Payments**

Summarised Receipts & Payments

A.C.N 668 487 045 Pty Ltd

(Administrators Appointed)

Transactions From 20 September 2024 To 16 October 2024

A/C	Account	Net	GST	Gross
7	Sales - Gaming	100,145.19	0.00	100,145.19
8	Wages Bounce back	1,300.85	0.00	1,300.85
9	Indemnity Payment	139,738.19	13,973.82	153,712.01
74	Cash at Bank	38.68	0.00	38.68
Total Receipts (inc GST)		\$241,222.91	\$13,973.82	\$255,196.73
22	Purchase of Liquor	4,226.67	422.67	4,649.34
23	Pokies Payout	20,204.67	0.00	20,204.67
24	TAB Corp Settlement	10,611.24	0.00	10,611.24
26	Bookkeeping and Payroll	4,444.10	444.41	4,888.51
27	Trade on Suppliers	6,431.66	643.17	7,074.83
51	Wages & Salaries	81,415.29	0.00	81,415.29
57	Supplier Payments	6,935.19	693.52	7,628.71
157	Superannuation	9,401.53	0.00	9,401.53
228	Superannuation Liability	(9,401.53)	0.00	(9,401.53)
234 - 1	Withholding Tax (PAYG) - Total Tax Withheld - OTE	(15,565.00)	0.00	(15,565.00)
Total Payments (inc GST)		\$118,703.82	\$2,203.77	\$120,907.59
Balance in Hand - By Bank Account				
212	Cheque Account			134,289.14
				\$134,289.14



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "10"
RHS Remuneration Approval Report**

Remuneration Approval Report

**ACN 668 487 045 Pty Ltd
(Administrators Appointed)
Formerly known as
Republic Hotel Sydney Pty Ltd
ACN 668 487 045
("The Company")**

16 October 2024

**Peter Krejci & Andrew Cummins
Joint and Several Administrators**

Novabrif Pty Ltd ABN 61 643 013 610
Level 26, 25 Bligh Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2333
Email: info@brifnsw.com.au
Website: www.briferrier.com.au



TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	3
2. DECLARATION.....	3
3. REMUNERATION APPROVAL SOUGHT.....	3
4. DISBURSEMENTS SOUGHT	4
5. LIKELY IMPACT ON DIVIDENDS.....	4
6. SUMMARY OF RECEIPTS AND PAYMENTS.....	5
7. QUERIES & INFORMATION SHEET.....	5
8. ATTACHMENTS	5
SCHEDULE A – DETAILS OF WORK FROM 20 SEPTEMBER 2024 TO 24 OCTOBER 2024....	6
SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS – 20 SEPTEMBER 2024 TO 11 OCTOBER 2024.....	12
SCHEDULE C – DETAILS OF WORK TO BE COMPLETED - 24 OCTOBER 2024 TO THE CONCLUSION OF THE LIQUIDATION	13
SCHEDULE D – RESOLUTIONS.....	16
SCHEDULE E – DISBURSEMENTS.....	17

1. EXECUTIVE SUMMARY

We are asking creditors to approve the following remuneration and disbursements:

ACN 668 487 045 Pty Ltd (Administrators Appointed) Formerly Republic Hotel Sydney Pty Ltd	Remuneration \$ (excl GST)	Disbursements \$ (excl GST)
Voluntary Administration	108,300.00	1,000.00
If Company is liquidated	100,000.00	2,000.00

Details of remuneration can be found in section 3 of this report.

Creditors have not previously approved our remuneration.

We estimate the total cost of this Voluntary Administration will be approximately \$108,300.00 (excl GST). This is consistent with the estimate provided in our Initial Remuneration Notice dated 24 September 2024.

2. DECLARATION

Andrew Cummins and I of BRI Ferrier, have undertaken an assessment of this remuneration claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursement claimed is necessary and proper.

We have reviewed the work in progress report for the Administration to ensure that remuneration is only being claimed for necessary and proper work performed and no adjustment was necessary.

3. REMUNERATION APPROVAL SOUGHT

The remuneration we are asking creditors to approve is as follows:

For	Period	Amount \$ (excl. GST)	Rates to apply	When it will be drawn
Work we have already done	20 September 2024 to 11 October 2024	108,300.00	Provided in our First Report to Creditors dated 24 September 2024	It will be drawn when approved by Creditors and funds are available
Future work	12 October 2024 to 24 October 2024	13,000.00	Provided in our First Report to Creditors dated 24 September 2024	It will be drawn when approved by Creditors and funds are available and incurred
VA total		121,300.00		
Future work – Liquidation	24 October 2024 to Finalisation of Liquidation	100,000.00	Provided in our First Report to Creditors dated 24 September 2024	It will be drawn when approved by Creditors and funds are available and incurred
Liquidation Total		100,000.00		

Details of the work done for the period 20 September 2024 to 11 October 2024 and future work that we intend to do are included at **Schedule A & C**.

A breakdown of time spent by staff members on each major task for work completed from 20 September 2024 to 11 October 2024 is included in **Schedule B**.

Actual resolutions to be put to the meeting are included at **Schedule D** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

4. DISBURSEMENTS SOUGHT

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. To date, we have not paid any such costs in the administration.

We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity of ourselves, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 24 September 2024.

The internal disbursements we would like creditors to approve is as follows:

For	Period	Amount \$ (excl. GST)
Disbursements during the VA period	20 September 2024 to Conclusion of the Administration	1,000.00
If Company is liquidated - Future disbursements	23 October 2024 to conclusion	2,000.00

Details of disbursements incurred, and future disbursements are included at **Schedule E**. Actual resolutions to be put to the meeting are included at **Schedule D** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

5. LIKELY IMPACT ON DIVIDENDS

The Corporations Act sets the order for payment of claims against the Company, and it provides for the remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

6. SUMMARY OF RECEIPTS AND PAYMENTS

A summary of the receipts and payments as at 15 October 2024 is attached.

7. QUERIES & INFORMATION SHEET

If you have any queries in relation to the information in this report, please contact our office. You can also access information which may assist you on the following websites:

ARITA at www.arita.com.au/creditors

ASIC at <http://www.asic.gov.au> (search for INFO 85)

Further supporting documentation for our remuneration claim can be provided to creditors on request.

8. ATTACHMENTS

Schedule A – Details of work from 20 September 2024 to 24 October 2024

Schedule B – A breakdown of time spent by staff members on each major task for work completed from 20 September 2024 to 11 October 2024

Schedule C – Detail of work to be completed – 24 October 2024 to the Conclusion of the Liquidation

Schedule D – Resolutions

Schedule E – Disbursements

SCHEDULE A – DETAILS OF WORK FROM 20 SEPTEMBER 2024 TO 24 OCTOBER 2024

Company	A.C.N. 668 487 045 Pty Ltd (Administrators Appointed) Formerly Republic Hotel Sydney Pty Ltd	Period From	20 September 2024	To	24 October 2024
Practitioner	Peter Krejci and Andrew Cummins	Firm	BRI Ferrier		
Administration Type	Administrators Appointed				
		Tasks			
		Work completed (excl. GST)		Future work (excl. GST)	
Period		20 September 2024 to 11 October 2024		12 October 2024 to 24 October 2024	
Amount (excl. GST)		\$108,300.00		\$13,000.00	
Task Area	General Description				
Assets		49.5Hours \$26,131.00		\$1,000.00	
	Sale of Business as a Going Concern	Liaise with purchaser Review sale contract Liaise with lawyers regarding settlement for sale Liaise with suppliers regarding transfer of services and access to domain Prepare and review cashflow		N/A	
	Sale of Real Property	Dealing with fire safety regulations Attend to registration and identification procedures for settlement of sale of hotel Confirm PEXA workspace registration for settlement		N/A	
	Other Assets	Prepared and issued circular to banks requesting all accounts to be frozen Daily check of bank balances and organising bank sweeps when required		Daily check of bank balances and organising bank sweeps when required	

Trade On		47.9Hours \$26,721.00	\$1,500.00
	Trade on management	Attendance on site to address staff regarding continued trading Liaising with management and staff Internal meetings to discuss trade on tasks Prepared and issued circular to staff Prepared and issued circular to suppliers Liaise with management, staff and suppliers regarding continued trading Liaise with lawyers regarding trade on issues Correspondence with bookkeeper regarding appointment and trade on support Discussions regarding payroll obligations Implementing management and operational protocols for continued trading Reconciling weekly payroll reports from accountant Organise payment of weekly payroll and management fees Organise payment of suppliers on a weekly basis Requesting account statements from suppliers Authorising purchase orders Liaising with management and dealing with various operational issues Preparing and issuing termination notices to employees and separation certificates Liaising with OSR regarding payroll tax	Attend to trade on payroll obligations Organise payment of suppliers Requesting account statements from suppliers Authorising purchase orders (fire safety)
	Budgeting & Financial Reporting	Review and discuss cashflow forecast and funds required for trade on	Review and discuss cashflow forecast and funds required for trade on
	Processing receipts and payments	Entering trade on receipts and payments into accounting system	Entering trade on receipts and payments into accounting system

Creditors		49.7 Hours \$28,432.00	\$5,000.00
	Creditor Enquiries	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email Liaise with lawyers regarding trade on accounts and employees Internal discussions regarding trade creditor liabilities, gaming tax and other transfer costs	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email Responding to information requested by creditors
	Creditor Reports	Preparing and issuing First Report to Creditors regarding notification of appointment and convening First Meeting of Creditors Preparation of necessary annexures for First Report to Creditors Preparing Second Report to Creditors Preparation of necessary annexures for Second Report to Creditors	Preparing and issuing Second Report to Creditors detailing investigations and convening Second Meeting of Creditors Preparation of necessary annexures for Second Report to Creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors
	Secured creditor reporting	Notifying PPSR registered creditors of appointment Preparing reports to secured creditor Responding to secured creditor's queries Maintaining secured creditor log	N/A
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting

		creditors, advertisement of meeting and draft minutes of meeting Attend first meeting of creditors Preparation and lodgement of minutes of First Meeting of Creditors with ASIC Responding to stakeholder queries and questions immediately following meeting	Attending second meeting of creditors Preparation and lodgement of minutes of Second Meeting of Creditors with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation		18.6 Hours \$9,132.00	\$4,500.00
	Conducting Investigation	Liaising with the IT service provider in relation to prepare a backup of the Company's electronic records Conducting and summarising statutory searches Reviewing Company's books and records Preparation of comparative financial statements Review the Company's books and records in relation to the Company's historical financial position and financial performance Review Company bank statements for related party transfers Preparation of investigation file Review aged payable schedules and prepare analysis Review inter-company loan accounts Review of Company Xero file and noting inaccuracies on same Conducting statutory searches on directors financial position Review ATO audit of GST claims by the Company	Review aged payable schedules and prepare analysis Review inter-company loan accounts Finalise investigations & prepare summary for report to creditors Review ATO audit of GST claims by the Company Review ROCAP completed by Directors
Employees		3.3 Hours \$1,608.00	
	Employees enquiries	Review claims from employees	Respond to queries from employees
	Calculation of entitlements	Reviewing employee files and Company's books and records	

	Other Employee Issues	Prepared and issued employee termination letters	
Administration		42.4 Hours \$16,276.00	\$1,000.00
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505, 205, 531, 507 etc Preparing and lodging ASIC PNW Advert	Preparing and lodging ASIC forms including 5011, 530 etc
	Bank account administration	Preparing correspondence opening bank account Requesting bank statements Bank account reconciliations	Bank account reconciliations
	Correspondence	Prepared and issued notice of appointment to director and company Issued notification of appointment documents to utility companies	
	Document maintenance/file review/checklist	Preparing and updating job checklists Filing of documents	Updating job checklists Filing of documents
	ATO and other statutory reporting	Notification of appointment Correspondence with ATO to gain access to business portal in order to complete STP reporting obligations	Correspondence with ATO to gain access to business portal in order to complete STP reporting obligations
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration
	Insurance	Prepared and issued notification of appointment to insurance provider Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers	Laise with insurance provider for ongoing coverage if required Correspondence with previous brokers
	Finalisation	N/A	Notifying ATO of finalisation Completing checklists

			Finalising WIP
--	--	--	----------------

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS – 20 SEPTEMBER 2024 TO 11 OCTOBER 2024

A.C.N. 668 487 045 Pty Ltd Formerly Republic Hotel Sydney Pty Ltd (Administrators Appointed)

ACN 668 487 072

For the period 20 September 2024 to 11 October 2024

Staff Classification	Name	Hourly Rate \$ (ex GST)	Administration Hrs \$	Assets Hrs \$	Creditors Hrs \$	Employees Hrs \$	Investigation Hrs \$	Trade On Hrs \$	Total Hrs \$
Appointee	Peter Krejci	750	2.6 1,950.00	8.0 6,000.00	18.5 13,875.00	0.6 450.00	5.6 4,200.00	10.7 8,025.00	46.0 34,500.00
Appointee	Andrew Cummins	750	- -	1.5 1,125.00	- -	- -	- -	0.7 525.00	2.2 1,650.00
Principal	John Keenan	750	0.2 150.00	- -	- -	- -	- -	0.2 150.00	0.4 300.00
Principal	David Cocker	750	1.0 750.00	0.1 75.00	- -	- -	- -	- -	1.1 825.00
Senior Manager	Pauline Yeow	620	2.3 1,426.00	8.3 5,146.00	11.5 7,130.00	0.4 248.00	0.4 248.00	4.7 2,914.00	27.6 17,112.00
Manager	Savio Monis	580	0.7 406.00	13.0 7,540.00	2.4 1,392.00	- -	1.3 754.00	18.9 10,962.00	36.3 21,054.00
Supervisor	Ashleigh Roche	510	0.4 204.00	- -	- -	- -	- -	- -	0.4 204.00
Senior 2	Sushma Mandira	400	3.8 1,520.00	0.2 80.00	3.3 1,320.00	2.2 880.00	1.0 400.00	1.1 440.00	11.6 4,640.00
Intermediate 1	Mankirth Mandair	350	9.0 3,150.00	14.9 5,215.00	10.3 3,605.00	- -	9.8 3,430.00	4.5 1,575.00	48.5 16,975.00
Intermediate 2	Hugh Matthews	300	11.9 3,570.00	2.5 750.00	3.7 1,110.00	- -	- -	1.5 450.00	19.6 5,880.00
Intermediate 2	Zachary George	300	1.2 360.00	- -	- -	- -	- -	5.6 1,680.00	6.8 2,040.00
Senior Administration	Sarita Gurung	300	7.7 2,310.00	- -	- -	0.1 30.00	- -	- -	7.8 2,340.00
Senior Administration	Sonia Stelmach	300	1.6 480.00	- -	- -	- -	- -	- -	1.6 480.00
Junior Administration	Phoebe Cummins	200	- -	1.0 200.00	- -	- -	0.5 100.00	- -	1.5 300.00
Total			42.4 16,276.00	49.5 26,131.00	49.7 28,432.00	3.3 1,608.00	18.6 9,132.00	47.9 26,721.00	211.4 108,300.00
									GST 10,830.00
									Total (incl GST) 119,130.00
Average Rate			383.87	527.90	572.07	487.27	490.97	557.85	512.30

SCHEDULE C – DETAILS OF WORK TO BE COMPLETED - 24 OCTOBER 2024 TO THE CONCLUSION OF THE LIQUIDATION

Company	A.C.N. 668 487 045 Pty Ltd (Administrators Appointed) Formerly Republic Hotel Sydney Pty Ltd Hotel Sydney Pty Ltd	Period From	24 October 2024	To	Conclusion
Practitioner	Peter Krejci and Andrew Cummins	Firm	BRI Ferrier		
Administration Type	Liquidation				
		Tasks			
		If wound up			
		Liquidation Work			
Period		23 October 2024 to conclusion			
Amount (excl. GST)		\$100,000.00			
Task Area	General Description				
Assets		\$35,000.00			
	Debtors	Correspondence with debtors Review records supporting claims Reviewing and assessing debtors’ ledgers Liaising with debt collectors and solicitors			
Creditors		\$25,000.00			
	Creditor Enquiries	Receive and respond to creditor enquiries Review and prepare initial correspondence to creditors and their representatives Considering reasonableness of creditor request Obtaining legal advice on requests Compiling information requested by creditors			
	Creditor Reports	Prepare Circular to Creditors regarding Liquidation Prepare Statutory Report to Creditors Preparation of necessary annexures for Statutory Report to Creditors			
	Secured creditor reporting	Preparing reports to secured creditor Responding to secured creditor’s queries			

	Dealing with proofs of debt	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors
	Meeting of Creditors	Convening creditors meeting as necessary Preparation of Minutes of Meeting (if required)
Investigation		\$30,000.00
	Conducting Investigation	Obtaining and reviewing further Company's books and records Reviewing further Company's books and records Review of specific transactions and liaising with Director regarding certain transactions Conducting further investigations into potential voidable transactions Conducting further investigations into solvency analysis Preparation of updated investigation file Lodgement of investigation with ASIC Preparation and lodgement of supplementary report if required
	Litigation / Recoveries	Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions
	ASIC Reporting	Preparing statutory investigation reports Liaising with ASIC
Administration		\$10,000.00
	ASIC Forms and lodgements	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms
	Bank account administration	Preparing receipt and payment vouchers Bank account reconciliations Correspondence with bank regarding specific transfers
	Books and Records/ Storage	Dealing with records in storage
	Correspondence	Correspondence with various parties
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	ATO and other statutory reporting	Notification of appointment Preparing BAS

	Planning / Review	Discussions regarding status of administration
	Finalisation	Notifying ATO of finalisation Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP

SCHEDULE D – RESOLUTIONS

We will be seeking approval of the following resolutions to approve our remuneration and disbursements. Details to support these resolutions are included in **sections 3 and 4** and in the attached Schedules.

Resolution 1: Administrators' Remuneration for the period 20 September 2024 to 11 October 2024

"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 20 September 2024 to 11 October 2024 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 16 October 2024, be fixed and approved at \$108,300.00 (plus GST), and that the Joint and Several Voluntary Administrators be authorised to draw that amount."

Resolution 2: Administrators' Remuneration for the period 12 October 2024 to 24 October 2024

"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 12 October 2024 to 24 October 2024 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 16 October 2024 and approved to an interim cap of \$13,000.00 (plus GST), and that the Joint and Several Voluntary Administrators be authorised to draw that amount as and when incurred."

Resolution 3: Administrators' Internal Disbursements for the period 20 September 2024 to 24 October 2024

"That the Joint and Several Voluntary Administrators be allowed internal disbursements from 20 September 2024 to 24 October 2024 at the rates of charge annexed to the Voluntary Administrators' First Report to Creditors dated 24 September 2024, up to an amount of \$1,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."

If the Company is wound up:

Resolution 7: Liquidators' Remuneration for the period 24 October 2024 to Conclusion

"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 24 October 2024 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 24 October 2024, and approved to an interim cap of \$100,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."

Resolution 8: Liquidators' Internal Disbursements for the period 24 October 2024 to Conclusion

"That the Joint and Several Liquidators be allowed internal disbursements for the period 24 October 2024 to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' First Report to Creditors dated 24 September 2024, up to an amount of \$2,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."

SCHEDULE E – DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation, and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charge at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We advise that to date we have not paid any disbursements incurred during this Administration by our Firm.

We are not obliged to seek creditor approval for disbursements paid to third parties, but must account to creditors, this includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Approval Report. We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, we will be seeking approval from creditors for resolutions detailed under Schedule D.

Future disbursements provided by our Firm will be charged to the administration on the following basis:

Disbursement Type	Rate (excl. GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowance



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "11"
RHM Remuneration Approval Report**

Remuneration Approval Report

**ACN 668 487 072 Pty Ltd
(Administrators Appointed)
Formerly known as Republic Hotel
Management Pty Ltd
ACN 668 487 072
("The Company")**

16 October 2024

**Peter Krejci & Andrew Cummins
Joint and Several Administrators**

Novabrif Pty Ltd ABN 61 643 013 610
Level 26, 25 Bligh Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2333
Email: info@brifnsw.com.au
Website: www.briferrier.com.au



TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	3
2. DECLARATION.....	3
3. REMUNERATION APPROVAL SOUGHT.....	3
4. DISBURSEMENTS SOUGHT	4
5. LIKELY IMPACT ON DIVIDENDS.....	4
6. SUMMARY RECEIPT AND PAYMENTS.....	5
7. QUERIES & INFORMATION SHEET.....	5
8. ATTACHMENTS	5
SCHEDULE A – DETAILS OF WORK FROM 20 SEPTEMBER 2024 TO 24 OCTOBER 2024....	6
SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS – 20 SEPTEMBER 2024 TO 11 OCTOBER 2024.....	12
SCHEDULE D – RESOLUTIONS.....	17
SCHEDULE E – DISBURSEMENTS.....	18

1. EXECUTIVE SUMMARY

We are asking creditors to approve the following remuneration and disbursements:

ACN 668 487 072 Pty Ltd (Administrators Appointed) Formerly Republic Hotel Management Pty Ltd	Remuneration \$(excl GST)	Disbursements \$(excl GST)
Voluntary Administration	52,568.00	1,000.00
If Company is liquidated	100,000.00	2,000.00

Details of remuneration can be found in section 3 of this report.

Creditors have not previously approved our remuneration.

We estimate the total cost of this Voluntary Administration will be approximately \$152,568.00 (plus GST). This is consistent with the estimate provided in our Initial Remuneration Notice dated 24 September 2024.

2. DECLARATION

Andrew Cummins and I of BRI Ferrier, have undertaken an assessment of this remuneration claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursement claimed is necessary and proper.

We have reviewed the work in progress ledger to ensure that remuneration is only being claimed for necessary and proper work performed and no adjustment was necessary.

3. REMUNERATION APPROVAL SOUGHT

The remuneration we are asking creditors to approve is as follows:

For	Period	Amount (\$, excl. GST)	Rates to apply	When it will be drawn
Work we have already done	20 September 2024 to 11 October 2024	52,568.00	Provided in our First Report to Creditors dated 24 September 2024	It will be drawn when approved by Creditors and funds are available
Future work	12 October 2024 to 24 October 2024	10,000.00	Provided in our First Report to Creditors dated 24 September 2024	It will be drawn when approved by Creditors and funds are available and incurred
VA Total		62,568.00		
Future work – Liquidation	24 October 2024 to Finalisation of Liquidation	100,000.00	Provided in our First Report to Creditors dated 24 September 2024	It will be drawn when approved by Creditors and funds are available and incurred
Liquidation Total		100,000.00		

Details of the work done for the period 20 September 2024 to 11 October 2024 and future work that we intend to do are included at **Schedule A & C**.

A breakdown of time spent by staff members on each major task for work completed from 20 September 2024 to 11 October 2024 is included in **Schedule B**.

Actual resolutions to be put to the meeting are included at **Schedule D** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

4. DISBURSEMENTS SOUGHT

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. To date, we have not paid any such costs in the administration.

We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity of ourselves, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 24 September 2024.

The internal disbursements we would like creditors to approve is as follows:

For	Period	Amount (\$, excl. GST)
Disbursements during the VA period	20 September 2024 to conclusion	1,000.00
If Company is liquidated - Future disbursements	24 October 2024 to conclusion	2,000.00

Details of disbursements incurred, and future disbursements are included at **Schedule E**. Actual resolutions to be put to the meeting are included at **Schedule D** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

5. LIKELY IMPACT ON DIVIDENDS

The Corporations Act sets the order for payment of claims against the Company, and it provides for the remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

6. SUMMARY RECEIPT AND PAYMENTS

There have been no receipts and payment as at the date of this report.

7. QUERIES & INFORMATION SHEET

If you have any queries in relation to the information in this report, please contact our office. You can also access information which may assist you on the following websites:

ARITA at www.arita.com.au/creditors

ASIC at <http://www.asic.gov.au> (search for INFO 85)

Further supporting documentation for our remuneration claim can be provided to creditors on request.

8. ATTACHMENTS

Schedule A – Details of work from 20 September 2024 to 24 October 2024

Schedule B – A breakdown of time spent by staff members on each major task for work completed from 20 September 2024 to 11 October 2024

Schedule C – Detail of work to be completed – 24 October 2024 to the Conclusion of the Liquidation

Schedule D – Resolutions

Schedule E – Disbursements

SCHEDULE A – DETAILS OF WORK FROM 20 SEPTEMBER 2024 TO 24 OCTOBER 2024

Company	A.C.N. 668 487 072 Pty Ltd Formerly Republic Hotel Management Pty Ltd (Administrators Appointed)	Period From	20 September 2024	To	24 October 2024
Practitioner	Peter Krejci and Andrew Cummins	Firm	BRI Ferrier		
Administration Type	Administrators Appointed				
		Tasks			
		Work completed (excl. GST)		Future work (excl. GST)	
Period		20 September 2024 to 11 October 2024		12 October 2024 to 24 October 2024	
Amount (excl. GST)		\$52,568.00		\$10,000.00	
Task Area	General Description				
Assets		19.2 Hours \$11,846.00		\$1,000.00	
	Sale of Business as a Going Concern	Liaise with purchaser Review sale contract Review requisitions for settlement Liaising with key suppliers to obtain payouts and facilitate transfer if required Prepare and review cashflow Review employee contracts Reconcile employee list and employee entitlements		Liaise with purchaser to finalise transfer of various accounts	
	Other Assets	Prepared and issued circular to banks requesting all accounts to be frozen Daily check of bank balances and organising bank sweeps when required Reconcile cash deposits to sales		N/A	

Trade On		20.1 Hours \$10,945.00	\$0.00
	Trade on management	Attendance on site to address staff regarding continued trading Liaising with management and staff Internal meetings to discuss trade on tasks Prepared and issued circular to staff Prepared and issued circular to suppliers Liaise with management, staff and suppliers regarding continued trading Liaise with lawyers regarding trade on issues Correspondence with bookkeeper regarding appointment and trade on support Discussions regarding payroll obligations Implementing management and operational protocols for continued trading Reconciling weekly payroll reports from accountant Organise payment of weekly payroll Organise payment of suppliers on a weekly basis Requesting account statements from suppliers Authorising purchase orders Liaising with management and dealing with various operational issues Preparing and issuing termination notices to employees and separation certificates Liaising with OSR regarding outstanding taxes	N/A
	Budgeting & Financial Reporting	Review and discuss cashflow forecast and funds required for trade on	N/A
	Processing receipts and payments	Entering trade on receipts and payments into accounting system	N/A

Creditors		25.8 Hours \$14,647.00	\$4,000.00
	Creditor Enquiries	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email Liaise with lawyers regarding trade on accounts and employees Internal discussions regarding trade creditor liabilities, gaming tax and other transfer costs	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email Responding to information requested by creditors
	Creditor Reports	Preparing and issuing First Report to Creditors regarding notification of appointment and convening First Meeting of Creditors Preparation of necessary annexures for First Report to Creditors Preparing Second Report to Creditors Preparation of necessary annexures for Second Report to Creditors	Preparing and issuing Second Report to Creditors detailing investigations and convening Second Meeting of Creditors Preparation of necessary annexures for Second Report to Creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors
	Secured creditor reporting	Notifying PPSR registered creditors of appointment Preparing reports to secured creditor Responding to secured creditor's queries	N/A
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors

		<p>creditors, advertisement of meeting and draft minutes of meeting</p> <p>Attend first meeting of creditors</p> <p>Preparation and lodgement of minutes of First Meeting of Creditors with ASIC</p> <p>Responding to stakeholder queries and questions immediately following meeting</p>	<p>Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting</p> <p>Attending second meeting of creditors</p> <p>Responding to stakeholder queries and questions immediately following meeting</p>
Investigation		<p>4.6 Hours</p> <p>\$2,631.00</p>	\$1,500.00
	Conducting Investigation	<p>Liaising with the IT service provider in relation to prepare a backup of the Company's electronic records</p> <p>Conducting and summarising statutory searches</p> <p>Reviewing Company's books and records</p> <p>Preparation of comparative financial statements</p> <p>Review the Company's books and records in relation to the Company's historical financial position and financial performance</p> <p>Review Company bank statements for related party transfers</p> <p>Preparation of investigation file</p> <p>Review aged payable schedules and prepare analysis</p> <p>Review inter-company loan accounts</p> <p>Review of Company Xero file and noting inaccuracies on same</p> <p>Conducting statutory searches on directors' financial position</p> <p>Review ATO audit of GST claims by the Company</p>	<p>Finalise investigations & prepare summary for report to creditors</p> <p>Review ROCAP completed by Directors</p>
Employees		<p>12.2 Hours</p> <p>\$6,246.00</p>	\$1,500.00
	Employees enquiries	Review claims from employees	Correspondence with employees

		Attend to employees' queries Maintain employee register Review and prepare correspondence to creditors and their representatives via facsimile, email and post Preparation of letters to employees advising of their entitlements and options available	Any other tasks associated with employees
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and Company's books and records Liaise with management in relation to calculation of employee entitlements	Finalise calculation of employee entitlements Reviewing employee files and Company's books and records Correspondence with the Long Service Corporation in relation to calculation of long service leave entitlements Liaising with the Directors to obtain access to the Long Service Corporation portal
	Other Employee Issues	Prepared and issued employee termination letters Issued correspondence to Child Support	N/A
Administration		12.7 Hours \$6,253.00	\$2,000.00
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505, 205, 531, 507 etc Preparing and lodging ASIC PNW Advert	Preparing and lodging ASIC forms including 5011, 530 etc
	Bank account administration	Preparing correspondence opening bank account Requesting bank statements Bank account reconciliations	Bank account reconciliations
	Correspondence	Prepared and issued notice of appointment to director and company Issued notification of appointment documents to utility companies	
	Document maintenance/file review/checklist	Preparing and updating job checklists Filing of documents	Updating job checklists Filing of documents

	ATO and other statutory reporting	Notification of appointment Correspondence with ATO to gain access to business portal in order to complete STP reporting obligations Review audit documents obtained	Correspondence with ATO to gain access to business portal in order to complete STP reporting obligations
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration
	Insurance	Prepared and issued notification of appointment to insurance provider Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers	Laise with insurance provider for ongoing coverage if required Correspondence with previous brokers
	Finalisation	N/A	Notifying ATO of finalisation Completing checklists Finalising WIP

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS – 20 SEPTEMBER 2024 TO 11 OCTOBER 2024

A.C.N. 668 487 072 Pty Ltd Formerly Republic Hotel Management Pty Ltd (Administrators Appointed)
ACN 668 487 072
For the period 20 September 2024 to 11 October 2024

Staff Classification	Name	Hourly Rate \$ (ex GST)	Administration Hrs \$	Assets Hrs \$	Employees Hrs \$	Creditors Hrs \$	Investigation Hrs \$	Trade On Hrs \$	Total Hrs \$
Appointee	Peter Krejci	750	2.4 1,800.00	3.2 2,400.00	- -	- -	2.1 1,575.00	- -	7.7 5,775.00
Senior Manager	Pauline Yeow	620	1.6 992.00	10.8 6,696.00	7.3 4,526.00	16.6 10,292.00	0.8 496.00	3.5 2,170.00	40.6 25,172.00
Manager	Savio Monis	580	1.7 986.00	4.0 2,320.00	- -	4.5 2,610.00	- -	13.5 7,830.00	23.7 13,746.00
Senior 2	Sushma Mandira	400	3.1 1,240.00	0.2 80.00	2.5 1,000.00	2.6 1,040.00	0.8 320.00	- -	9.2 3,680.00
Intermediate 1	Mankirth Mandair	350	1.3 455.00	1.0 350.00	- -	1.5 525.00	0.4 140.00	0.3 105.00	4.5 1,575.00
Intermediate 2	Hugh Matthews	300	0.9 270.00	- -	2.4 720.00	0.6 180.00	- -	- -	3.9 1,170.00
Intermediate 2	Zachary George	300	0.1 30.00	- -	- -	- -	- -	2.8 840.00	2.9 870.00
Senior Administration	Sarita Gurung	300	1.5 450.00	- -	- -	- -	- -	- -	1.5 450.00
Senior Administration	Sonia Stelmach	300	0.1 30.00	- -	- -	- -	- -	- -	0.1 30.00
Junior Administration	Phoebe Cummins	200	- -	- -	- -	- -	0.5 100.00	- -	0.5 100.00
Total			12.7 6,253.00	19.2 11,846.00	12.2 6,246.00	25.8 14,647.00	4.6 2,631.00	20.1 10,945.00	94.6 52,568.00
									GST 5,256.80
									Total (incl GST) 57,824.80
Average Rate			492.36	616.98	511.97	567.71	571.96	544.53	555.69

SCHEDULE C – DETAILS OF WORK TO BE COMPLETED - 24 OCTOBER 2024 TO THE CONCLUSION OF THE LIQUIDATION

Practitioner Administration Type	A.C.N. 668 487 072 Pty Ltd Formerly Republic Hotel Management Pty Ltd (Administrators Appointed)	Period From	24 October 2024	To	Conclusion
	Peter Krejci and Andrew Cummins	Firm	BRI Ferrier		
	In Liquidation				
		Tasks			
		If wound up			
		Liquidation Work			
Period		24 October 2024 to conclusion			
Amount (excl. GST)		\$100,000.00			
Task Area	General Description				
Assets		\$35,000.00			
	Debtors	Correspondence with debtors and issue demands Review records supporting claims Reviewing and assessing debtors’ ledgers Liaising with debt collectors and solicitors			
Creditors		\$15,000.00			
	Creditor Enquiries	Receive and respond to creditor enquiries Review and prepare initial correspondence to creditors and their representatives Considering reasonableness of creditor request Obtaining legal advice on requests Compiling information requested by creditors			
	Creditor Reports	Prepare Circular to Creditors regarding Liquidation Prepare Statutory Report to Creditors Preparation of necessary annexures for Statutory Report to Creditors			

	Secured creditor reporting	Preparing reports to secured creditor Responding to secured creditor's queries
	Dealing with proofs of debt	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors
	Meeting of Creditors	Convening creditors meeting as necessary Preparation of Minutes of Meeting (if required)
Investigation		\$20,000.00
	Conducting Investigation	Obtaining and reviewing further Company's books and records Reviewing further Company's books and records Review of specific transactions and liaising with Director regarding certain transactions Conducting further investigations into potential voidable transactions Conducting further investigations into solvency analysis Preparation of updated investigation file Lodgement of investigation with ASIC Preparation and lodgement of supplementary report if required
	Litigation / Recoveries	Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions
	ASIC Reporting	Preparing statutory investigation reports Liaising with ASIC
Employees		\$10,000.00
	Employees enquiries	Correspondence with employees Receive and follow up employee enquiries via telephone Maintain employee enquiry register
	FEG	Correspondence with FEG Preparing initial questionnaire Preparing FEG quotation for services Request further supporting documentation from employees to substantiate their claims Preparing verification spreadsheet of employee entitlements Completing FEG questionnaires

		Correspondence with FEG regarding discrepancies, if any
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and Company's books and records Reconciling superannuation accounts Reviewing awards Liaising with solicitors regarding entitlements
	Employee dividend	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC POD (if required) Preparing dividend file Advertising dividend notice Receipting and adjudicating POD Preparing distribution
Administration		\$20,000.00
	ASIC Forms and lodgements	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms
	Bank account administration	Preparing receipt and payment vouchers Bank account reconciliations Correspondence with bank regarding specific transfers
	Books and Records/ Storage	Dealing with records in storage
	Correspondence	Correspondence with various parties
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Planning / Review	Discussions regarding status of administration
	Finalisation	Notifying ATO of finalisation

		Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP
--	--	---

SCHEDULE D – RESOLUTIONS

We will be seeking approval of the following resolutions to approve our remuneration and disbursements. Details to support these resolutions are included in **sections 3 and 4** and in the attached Schedules.

Resolution 1: Administrators' Remuneration for the period 20 September 2024 to 11 October 2024

"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 20 September 2024 to 11 October 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 16 October 2024, be fixed and approved at \$52,568.00 (plus GST), and that the Joint and Several Voluntary Administrators be authorised to draw that amount."

Resolution 2: Administrators' Remuneration for the period 12 October 2024 to 24 October 2024

"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 12 October 2024 to 24 October 2024 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 16 October 2024 and approved to an interim cap of \$10,000.00 (plus GST), and that the Joint and Several Voluntary Administrators be authorised to draw that amount as and when incurred."

Resolution 3: Administrators' Internal Disbursements for the period 20 September 2024 to 24 October 2024

"That the Joint and Several Voluntary Administrators be allowed internal disbursements from 20 September 2024 to 24 October 2024 at the rates of charge annexed to the Voluntary Administrators' First Report to Creditors dated 24 September 2024, up to an amount of \$1,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."

If the Company is wound up:

Resolution 7: Liquidators' Remuneration for the period 24 October 2024 to Conclusion

"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 24 October 2024 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 24 October 2024, and approved to an interim cap of \$100,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."

Resolution 8: Liquidators' Internal Disbursements for the period 24 October 2024 to Conclusion

"That the Joint and Several Liquidators be allowed internal disbursements for the period 24 October 2024 to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' First Report to Creditors dated 24 September 2024, up to an amount of \$2,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."

SCHEDULE E – DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation, and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charge at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We advise that to date we have not paid any disbursements incurred during this Administration by our Firm.

We are not obliged to seek creditor approval for disbursements paid to third parties, but must account to creditors, this includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Approval Report. We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, we will be seeking approval from creditors for resolutions detailed under Schedule D.

Future disbursements provided by our Firm will be charged to the administration on the following basis:

Disbursement Type	Rate (excl. GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowance



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "12"
Advice to Creditors About
Remuneration**

ADVICE TO CREDITORS ABOUT REMUNERATION

Insolvency Practice Schedule (Corporations) 70-50
Insolvency Practice Rules (Corporations) 70-35

A.C.N. 668 487 045 PTY LTD (FORMERLY KNOWN AS REPUBLIC HOTEL SYDNEY PTY LTD)
ACN 668 487 045
A.C.N. 668 487 072 PTY LTD (FORMERLY KNOWN AS REPUBLIC HOTEL MANAGEMENT PTY LTD)
ACN 668 487 072
(BOTH ADMINISTRATORS APPOINTED)
("THE COMPANIES")

A REMUNERATION METHOD

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. They are:

- Time based / hourly rates or "Time Cost"

This is the most common method. It provides for remuneration to be charged at an hourly rate for each person working on the matter. The hourly rate charged will reflect the level of experience each person has.

- Fixed Fee

The total remuneration for the administration is quoted at commencement of the appointment and is the total charge for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

- Percentage

The remuneration for the appointment is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

- Contingency

The total remuneration for the matter is structured to be contingent on a particular outcome being achieved.

B METHOD CHOSEN

Given the nature of this administration, We propose that our remuneration be calculated on the time based / hourly rates method. In our opinion, this is the fairest method for the following reasons:

- We will only be paid for work done, subject to sufficient realisations of the Company assets.
- It ensures creditors are only charged for work that is performed. Our time are recorded and charged in six-minute increments and staff are allocated to duties according to their relevant experience and qualifications.

- We are required to perform a number of tasks which do not relate to the realisation of assets, including responding to creditor enquiries, reporting to the ASIC, distributing funds in accordance with the provisions of the Corporations Act 2001.

BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted below remain current. BRI Ferrier may increase the hourly rates charged for work performed and if hourly rates are increased, we will seek creditors' approval.

C EXPLANATION OF HOURLY RATES

The rates applicable are set out in the table below together with a general guide to the qualifications and experience of staff engaged in administration and the role they undertake in the administration. The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage rate.

Title	Description	Hourly Rate (ex GST) 1 July 24
Appointee / Principal	Senior member of the firm. May be a Registered Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads staff carrying out appointments.	\$750
Director	An accountant with more than 10 years' experience. May be a Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	\$670
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	\$620
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$580
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	\$510
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA. Able to complete work on appointments with limited supervision.	\$450
Senior 2	An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under supervision.	\$400
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	\$350
Intermediate 2	An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$300
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$300

Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$200
-----------------------	--	-------

D DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not required to seek creditor approval for disbursements paid to third parties but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve our internal disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this administration are provided below.

Disbursement Type	Rate (excl GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "13"
ASIC Information Sheet – Insolvency
Information for Directors,
Employees, Creditors and
Shareholders**

Insolvency information for directors, employees, creditors and shareholders

This is **Information Sheet 39 (INFO 39)**. It lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) *Insolvency: A glossary of terms*
- [INFO 42](#) *Insolvency: A guide for directors*
- [INFO 43](#) *Insolvency: A guide for shareholders*
- [INFO 45](#) *Liquidation: A guide for creditors*
- [INFO 46](#) *Liquidation: A guide for employees*
- [INFO 54](#) *Receivership: A guide for creditors*
- [INFO 55](#) *Receivership: A guide for employees*
- [INFO 74](#) *Voluntary administration: A guide for creditors*
- [INFO 75](#) *Voluntary administration: A guide for employees*
- [INFO 84](#) *Independence of external administrators: A guide for creditors*
- [INFO 85](#) *Approving fees: A guide for creditors*

Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

Important notice

Please note that this information sheet is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice. We encourage you to seek your own professional advice to find out how the applicable laws apply to you, as it is your responsibility to determine your obligations.

You should also note that because this information sheet avoids legal language wherever possible, it might include some generalisations about the application of the law. Some provisions of the law referred to have exceptions or important qualifications. In most cases, your particular circumstances must be taken into account when determining how the law applies to you.

Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

This information sheet was updated on 1 September 2017.



**A.C.N. 668 487 045 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL SYDNEY PTY LTD
ACN 668 487 045**

**A.C.N. 668 487 072 PTY LTD
FORMERLY KNOWN AS REPUBLIC
HOTEL MANAGEMENT PTY LTD
ACN 668 487 072**

**(BOTH ADMINISTRATORS
APPOINTED)**

**Annexure "14"
ARITA Information Sheet – Offences,
Recoverable Transactions and
Insolvent Trading**

Voluntary Administration

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Queries about the voluntary administration should be directed to the administrator's office.